

**Order Instituting Disciplinary Proceedings,
Making Findings, and Imposing Sanctions**

*In the Matter of RAM Associates & Company LLC
and Parameswara K. Ramachandran,*

Respondents.

PCAOB Release No. 105-2023-021

August 8, 2023

By this Order Instituting Disciplinary Proceedings, Making Findings, and Imposing Sanctions (“Order”), the Public Company Accounting Oversight Board (“Board” or “PCAOB”) is:

- (1) censuring RAM Associates & Company LLC (“RAM” or “Firm”) and Parameswara K. Ramachandran (“Ramachandran”) (collectively, “Respondents”);
- (2) revoking the Firm’s registration;¹
- (3) barring Ramachandran from being an associated person of a registered public accounting firm;²
- (4) imposing a civil money penalty in the amount of \$150,000, jointly and severally, on the Firm and Ramachandran; and
- (5) requiring the Firm to undertake certain remedial actions concerning quality control directed toward satisfying requirements applicable to audits and reviews of issuers before filing, and to provide evidence of such measures with, any future registration application.

The Board is imposing these sanctions on the basis of its findings that: (a) Respondents violated PCAOB rules and standards in connection with the audits of the financial statements of an issuer client; (b) the Firm violated PCAOB standards concerning engagement quality reviews in connection with two audits of an issuer; (c) the Firm failed to timely file required Form APs, in

¹ RAM may reapply for registration after two years from the date of this Order.

² Ramachandran may file a petition for Board consent to associate with a registered public accounting firm after two years from the date of this Order.

violation of PCAOB Rule 3211, *Auditor Reporting of Certain Audit Participants*; (d) the Firm violated PCAOB rules and quality control standards; and (e) Ramachandran substantially contributed to the Firm's violations of PCAOB rules and quality control standards.³

I.

The Board deems it necessary and appropriate, for the protection of investors and to further the public interest in the preparation of informative, accurate, and independent audit reports, that disciplinary proceedings be, and hereby are, instituted against Respondents pursuant to Section 105(c) of the Sarbanes-Oxley Act of 2002, as amended (the "Act"), and PCAOB Rule 5200(a)(1).

II.

In anticipation of the institution of these proceedings, and pursuant to PCAOB Rule 5205, Respondents have submitted Offers of Settlement (the "Offers") that the Board has determined to accept. Solely for the purpose of these proceedings and any other proceeding brought by or on behalf of the Board, or to which the Board is a party, and without admitting or denying the findings herein, except as to the Board's jurisdiction over Respondents and the subject matter of these proceedings, which is admitted, Respondents consent to the entry of this Order as set forth below.⁴

III.

On the basis of Respondents' Offers, the Board finds that:⁵

³ All references to PCAOB rules and standards in this Order are to the versions of those rules and standards, and to their organization and numbering, in effect at the time of the audits and reviews discussed herein.

⁴ The findings herein are made pursuant to Respondents' Offers and are not binding on any other person or entity in this or any other proceeding.

⁵ The Board finds that Respondents' conduct described in this Order meets the conditions set out in Section 105(c)(5) of the Act, 15 U.S.C. § 7215(c)(5), which provides that certain sanctions may be imposed in the event of: (1) intentional or knowing conduct, including reckless conduct, that results in a violation of the applicable statutory, regulatory, or professional standard; or (2) repeated instances of negligent conduct, each resulting in a violation of the applicable statutory, regulatory, or professional standard.

A. Respondents

1. **RAM Associates & Company LLC** is a limited liability company organized under the laws of the state of New Jersey and headquartered in Hamilton, New Jersey. The Firm is licensed by the New Jersey Division of Consumer Affairs (license no. 20CB00489700). The Firm was, at all relevant times, registered with the PCAOB pursuant to Section 102 of the Act and PCAOB rules.

2. **Parameswara K. Ramachandran** is the owner and managing partner of the Firm and a certified public accountant licensed by the New Jersey Division of Consumer Affairs (license no. 20CC01148500). At all relevant times, he was the sole partner of the Firm and served as the engagement partner on issuer audits. Ramachandran is, and at all relevant times was, an associated person of a registered public accounting firm, as that term is defined in Section 2(a)(9) of the Act and PCAOB Rule 1001(p)(i). He was the engagement partner for each of the relevant audits discussed below.

B. Issuers

3. **Ameri Holdings Inc. (n/k/a Enveric Biosciences, Inc.)** (“Ameri”) was, at all relevant times, a Delaware corporation headquartered in Suwanee, Georgia. Ameri’s public filings disclose that it was engaged in delivering cloud, digital, and enterprise services. Ameri was an issuer, as that term is defined by Section 2(a)(7) of the Act and PCAOB Rule 1001(i)(iii), at the time the Firm audited its financial statements for fiscal years 2018 through 2019.

4. **TripBorn, Inc.** (“TripBorn”) was, at all relevant times, a Delaware corporation headquartered in Gujarat, India. TripBorn’s public filings disclose that it was an online travel agency. TripBorn was an issuer, as that term is defined by Section 2(a)(7) of the Act and PCAOB Rule 1001(i)(iii), at the time the Firm audited its financial statements for fiscal year 2018.

C. Summary

5. This matter concerns Respondents’ violations of PCAOB rules and standards in connection with the audits of Ameri for the years ended December 31, 2018, and December 31, 2019. Respondents failed to: (1) obtain sufficient appropriate audit evidence in auditing the valuation of Ameri’s goodwill and using the work of a specialist retained by Ameri; (2) timely assemble for retention a complete and final set of audit documentation; (3) communicate all required matters to Ameri’s audit committee; and (4) obtain audit committee preapproval for tax services.

6. In addition, the Firm violated PCAOB standards related to engagement quality reviews and, with regard to audits of both TripBorn and Ameri, PCAOB rules concerning filing Form APs.

7. The Firm also violated quality control standards because the Firm failed to establish an appropriate system of quality control to provide it with reasonable assurance that the work performed by engagement personnel met applicable professional standards, regulatory requirements, and the Firm's standards of quality. The Firm also failed to establish policies and procedures, including monitoring procedures, to provide it with reasonable assurance that its system of quality control was suitably designed and being effectively applied.

8. Finally, Ramachandran violated PCAOB rules by directly and substantially contributing to the Firm's violations of PCAOB rules, auditing standards, and quality control standards.

D. Respondents Violated PCAOB Rules and Standards in Performing the 2018 and 2019 Ameri Audits

9. In connection with the preparation or issuance of an audit report, PCAOB rules require that a registered public accounting firm and its associated persons comply with the Board's auditing and related professional practice standards.⁶ An auditor may express an unqualified opinion on an issuer's financial statements only when the auditor has conducted an audit in accordance with PCAOB standards and concludes that the financial statements, taken as a whole, are presented fairly, in all material respects, in conformity with the applicable financial reporting framework.⁷ Among other things, PCAOB standards require an auditor to exercise due professional care in the planning and performance of the audit and the preparation of the report, exercise professional skepticism, and plan and perform audit procedures to obtain sufficient appropriate audit evidence to provide a reasonable basis for the auditor's opinion.⁸

10. As relevant here, the Firm issued three audit reports containing an unqualified audit opinion on Ameri's financial statements: (1) an audit report dated March 25, 2019

⁶ See PCAOB Rule 3100, *Compliance with Auditing and Related Professional Practice Standards*; PCAOB Rule 3200, *Auditing Standards*.

⁷ AS 3101.02, *The Auditor's Report on an Audit of Financial Statements When the Auditor Expresses an Unqualified Opinion*.

⁸ See AS 1015.01, .07, *Due Professional Care in the Performance of Work*; AS 2301.07, *The Auditor's Responses to the Risks of Material Misstatement*; AS 1105.04, *Audit Evidence*.

concerning financial statements for the year ended December 31, 2018 (“2018 Ameri Audit”); (2) an audit report dated March 25, 2020 concerning financial statements for the year ended December 31, 2019 (“2019 Ameri Audit”); and (3) an audit report concerning Ameri’s restated 2019 financial statements with a dual date of August 11, 2020 (“2019 Ameri Restatement Audit”), filed in an amended Form 10-K/A filed with the Securities and Exchange Commission (“Commission”). Ramachandran served as the engagement partner and authorized the issuance of these audit reports.

11. As described below, Respondents failed to comply with PCAOB rules and standards.

i. Respondents Failed to Perform Goodwill Valuation Testing in the 2018 and 2019 Ameri Audits

12. Ameri reported total assets of \$29.6 million and \$25.3 million as of December 31, 2018 and 2019, respectively, of which approximately \$13.7 million consisted of goodwill in both years. Ameri’s goodwill arose from business combinations in prior years.

13. Ameri recorded a goodwill impairment charge of \$8.2 million or approximately 78% of the pre-tax loss for the year ended December 31, 2018. Ameri concluded that its goodwill was not impaired as of and for the year ended December 31, 2019.

14. Respondents identified the valuation of goodwill as a significant risk and a critical accounting estimate in the 2018 and 2019 Ameri Audits.

15. PCAOB standards require the auditor to evaluate the reasonableness of accounting estimates made by management in the context of the financial statements taken as a whole.⁹ The auditor’s objective when evaluating accounting estimates is to obtain sufficient appropriate evidential matter to provide reasonable assurance that all accounting estimates that could be material to the financial statements have been developed, those estimates are reasonable in the circumstances, and the accounting estimates are presented in conformity with applicable accounting principles and are properly disclosed.¹⁰

16. To determine whether goodwill is properly valued, it should be tested for impairment at least annually, and whenever there is an indication that it may be impaired.¹¹

⁹ AS 2501.04, *Auditing Accounting Estimates*.

¹⁰ AS 2501.07.

¹¹ See ASC 350, *Intangibles – Goodwill and Other*.

Impairment is the condition that exists when the carrying amount of goodwill on a company's books exceeds its fair value. If the testing results in an impairment, the carrying amount of the goodwill must be reduced by the amount of the impairment.

17. Respondents understood that Ameri relied on a valuation report prepared by a third-party specialist to determine whether goodwill was impaired and to estimate the impairment loss, if any, in 2018 and 2019. The valuation analysis prepared by the specialist relied on data and assumptions provided by Ameri, namely future income statement projections, without the specialist performing any procedures to evaluate the reasonableness of this information.

18. In evaluating the reasonableness of an accounting estimate, PCAOB standards require the auditor to obtain an understanding of how management developed the estimate. Based on that understanding, the auditor should use one or a combination of the following approaches: (a) review and test the process used by management to develop the estimate; (b) develop an independent expectation of the estimate to corroborate the reasonableness of management's estimate; and (c) review subsequent events or transactions occurring prior to the date of the auditor's report.¹²

19. PCAOB standards further require that when using the work of a specialist, auditors should evaluate the professional qualifications of the specialist and obtain an understanding of the nature of the work performed or to be performed.¹³ Additionally, auditors should: "(a) obtain an understanding of the methods and assumptions used by the specialist; (b) make appropriate tests of data provided to the specialist; and (c) evaluate whether the specialist's findings support the related assertions in the financial statements."¹⁴

20. Respondents used the valuation report of the specialist engaged by Ameri as evidential matter to evaluate whether goodwill was properly valued in both the 2018 and 2019 audits, but failed to perform procedures required by PCAOB standards. They understood that Ameri used certain projected amounts—such as projected revenue growth rate and projected growth margins—as key assumptions in formulating the income statement projections on which it based its impairment analysis. Respondents, however, failed to perform procedures to evaluate those assumptions or otherwise test the process for generating those projected

¹² AS 2501.10.

¹³ AS 1210.08-.09, *Using the Work of a Specialist*.

¹⁴ AS 1210.12.

amounts. Nor did they develop an independent expectation of the projected income statements or review subsequent events or transactions to evaluate their reasonableness.

21. Moreover, Respondents failed to evaluate the professional qualifications of the third-party specialist or to perform any procedures to understand the work performed or the methods and assumptions used by the third-party specialist in determining the fair value of Ameri's goodwill, and failed to test the data provided by management, including five years of income statement projections.

22. Accordingly, Respondents failed to obtain sufficient appropriate evidence to test the goodwill estimate, in violation of AS 2501, and failed to determine whether the work of the specialist was suitable for the auditor's purposes and supported the auditor's conclusion in the goodwill valuation testing, in violation of AS 1210.

ii. Respondents Violated AS 1215 by Failing to Timely Assemble a Complete and Final Set of Audit Documentation for Two Audits

23. PCAOB standards require that "the auditor must prepare audit documentation in connection with each engagement conducted pursuant to the standards of the PCAOB."¹⁵ PCAOB standards further require that "a complete and final set of audit documentation should be assembled for retention as of a date not more than 45 days after the report release date (*documentation completion date*)."¹⁶

24. The Firm issued an initial audit report for the 2019 Ameri Audit financial statements on March 25, 2020. Therefore, its documentation completion date was on or about May 9, 2020. The Firm issued an audit report for the 2019 Ameri restated financial statements on March 25, 2020, except as to note 17 in the financial statements (related to operating lease assets and liabilities), which was dated as of August 11, 2020. Thus, the documentation completion date for the 2019 Ameri Restatement Audit was on or about September 25, 2020.

25. Respondents did not finish assembling for retention the audit documentation for the 2019 Ameri Audit and the 2019 Ameri Restatement Audit until March 2021, after the documentation completion dates for both audits. As a result, Respondents violated AS 1215.

¹⁵ AS 1215.04, *Audit Documentation*.

¹⁶ AS 1215.15.

iii. Respondents Failed to Communicate All Required Matters to Audit Committee

26. PCAOB standards require the auditor to communicate certain matters related to the conduct of an audit to the issuer's audit committee.¹⁷ The auditor should communicate to the audit committee an overview of the overall audit strategy, including the timing of the audit, and discuss with the audit committee the significant risks identified during the auditor's risk assessment procedures.¹⁸ The auditor should establish an understanding of the terms of the audit engagement with the audit committee.¹⁹ The auditor should also communicate to the audit committee the results of the auditor's evaluation of whether the presentation of the financial statements and the related disclosures are in conformity with the applicable financial reporting framework.²⁰

27. In connection with the 2018 and 2019 Ameri Audits, Respondents issued letters to Ameri's audit committee dated March 25, 2019, January 28, 2020, and March 24, 2020. Despite issuing those letters, Respondents failed to address certain required communications.

28. In connection with the 2018 Ameri Audit, Respondents did not establish an understanding of the terms of the audit engagement with the audit committee, did not communicate with the audit committee an overview of the overall audit strategy, including the timing of the audit, or discuss with the audit committee the significant risks identified during the engagement team's risk assessment procedures prior to the issuance of the audit report.

29. In connection with the 2019 Ameri Audit, Respondents communicated to the audit committee some, but not all, of the significant risks identified during the engagement team's risk assessment procedures. In addition, Respondents did not communicate to the audit committee the results of the audit of the restated financial statements.

¹⁷ AS 1301.01, *Communications with Audit Committees*.

¹⁸ *Id.* at .09. In the adopting release for Auditing Standard No. 16 (now known as AS 1301), the Board indicated that "[c]ommunications between the auditor and the audit committee allow the audit committee to be well-informed about accounting and disclosure matters, including the auditor's evaluation of matters that are significant to the financial statements, and to be better able to carry out its oversight role." See *Auditing Standard No. 16—Communications With Audit Committees; Related Amendments to PCAOB Standards; and Transitional Amendments to AU Sec. 380*, PCAOB Rel. No. 2012-004, at 2 (Aug. 15, 2012).

¹⁹ AS 1301.05.

²⁰ AS 1301.13(e).

30. As a result, Respondents violated AS 1301.

iv. Respondents Failed to Obtain Audit Committee Pre-Approval of Tax Compliance Services in Violation of Rules 3520, 3524, and 3526

31. PCAOB rules require that a registered public accounting firm and its associated persons be independent of the firm's audit client throughout the audit and professional engagement period.²¹ That requirement includes an obligation to satisfy the independence criteria set out in the rules and standards of the PCAOB and all other independence criteria set out in the Commission's rules and regulations under the federal securities laws.²²

32. Rule 3524, *Audit Committee Pre-approval of Certain Tax Services*, provides that, in connection with seeking audit committee pre-approval to perform any permissible tax service for an issuer audit client, a registered public accounting firm shall describe, in writing, to the audit committee of the issuer, among other things, the scope of the service, the fee structure of the engagement, and any side letter or other amendment to the engagement letter, or any other agreement between the firm and the audit client relating to the service.

33. Rule 3526, *Communication with Audit Committees Concerning Independence*, provides that a registered firm must, at least annually for each audit client, describe in writing to the audit committee of an audit client certain relationships that may reasonably be thought to bear on independence.

34. Rule 2-01(c)(7)(i) of Commission Regulation S-X provides that "[a]n accountant is not independent of an issuer" unless, "[b]efore the accountant is engaged by the issuer . . . to render audit or non-audit services, the engagement is approved by the issuer's . . . audit committee."²³

35. At the same time that the Firm performed the 2018 Ameri Audit, it prepared federal and state tax returns for Ameri.

²¹ See PCAOB Rule 3520, *Auditor Independence*.

²² See PCAOB Rule 3520, Note 1.

²³ 17 C.F.R. § 210.2-01(c)(7). The definition of accountant includes "any accounting firm with which the certified public accountant . . . is affiliated." 17 C.F.R. § 210.2-01(f)(1).

36. Respondents failed, however, to obtain pre-approval from Ameri's audit committee for the Firm to provide these tax compliance services while Respondents performed the 2018 Ameri Audit.

37. Accordingly, Respondents violated PCAOB Rules 3520 and 3524 by not fulfilling the requirements of Rule 2-01(c)(7)(i) of Commission Regulation S-X, and thus was not independent of Ameri.

38. Moreover, with respect to the 2018 Ameri Audit, Respondents did not make any communication in writing to Ameri's audit committee about all relationships between the Firm and Ameri that may reasonably be thought to bear on independence.

39. Accordingly, Respondents violated PCAOB Rule 3526.

E. The Firm Violated PCAOB Standards Relating to Engagement Quality Reviews

40. PCAOB standards require that an engagement quality review be performed on all audits.²⁴ A firm may grant permission to a client to use an engagement report only after an engagement quality reviewer provides concurring approval of issuance.²⁵ An engagement quality reviewer from the firm that issues the engagement report must be a partner or another individual in an equivalent position.²⁶

41. Documentation of an engagement quality review should contain sufficient information to enable an experienced auditor, having no previous connection with the engagement, to understand the procedures performed by the engagement quality reviewer, including information that identifies the date the engagement quality reviewer provided concurring approval of issuance, or if no concurring approval of issuance was provided, the reasons for not providing the approval.²⁷

42. The Firm's work papers for the 2018 Ameri Audit neither identify, nor include a sign-off of, an individual serving as an engagement quality reviewer. The audit documentation

²⁴ AS 1220.01, *Engagement Quality Review*.

²⁵ AS 1220.13.

²⁶ AS 1220.03.

²⁷ AS 1220.19.

failed to contain sufficient information to identify all the documents reviewed by, or otherwise to understand all the procedures performed by, any engagement quality reviewer.²⁸

43. The Firm assigned a senior manager, not an individual who was a partner or an individual in an equivalent position, as the engagement quality reviewer for the 2019 Ameri Audit, in violation of AS 1220.03.

44. Moreover, the Firm failed to obtain an engagement quality review in relation to its audit of the 2019 restated financial statements of Ameri. As a result, the Firm improperly reissued its audit report for the 2019 restated financial statements without obtaining a concurring approval of issuance from an engagement quality reviewer.²⁹

45. For these reasons, the Firm violated AS 1220 in connection with the 2018 Ameri Audit and 2019 Ameri Restatement Audit.

F. The Firm Violated the Form AP Filing Rule

46. PCAOB Rule 3211 requires registered public accounting firms to provide information about engagement partners and other accounting firms that participated in the audits of issuers by filing a Form AP for each audit report issued by the firm for an issuer.

47. A Form AP is due to be filed by the 35th day after the date the audit report is first included in a document filed with the Commission or, in the case of a registration statement, 10 days after the date the audit report is first included in a document filed with the Commission.³⁰ In the event of any change to an audit report, including any change in the dating of the report, the firm must file a new Form AP the first time the revised audit report is included in a document filed with the Commission.³¹

48. The Firm failed to timely file three Form APs related to the audits of TripBorn with the PCAOB. Ramachandran served as engagement partner and authorized the issuance of each of these audit reports.

²⁸ See *id.*

²⁹ See AS 1220.13.

³⁰ PCAOB Rule 3211(b).

³¹ PCAOB Rule 3211(a), Note 2.

49. The Firm issued an audit report dated June 29, 2018, containing an unqualified audit opinion on TripBorn's financial statements for the fiscal year ended March 31, 2018. The Firm belatedly filed the related Form AP on August 20, 2018.

50. The Firm reissued that audit report with a dual date of July 10, 2019 when TripBorn's 2018 financial statements were restated and filed in an amended Form 10-K/A with the Commission. The Firm again reissued that audit report with a dual date of September 9, 2019 when TripBorn's 2018 financial statements were restated yet again in September 2019. The Firm belatedly filed the Form APs on March 30, 2023 in connection with these two reissuances of its 2018 audit report, long after the 35-day deadline for each of those audit reports had passed and only after receiving notice of the deficiencies from the Division of Enforcement and Investigations.

51. The Firm also failed to timely file two Form APs related to audits of Ameri.

52. The Firm's audit report for the 2018 Ameri Audit was first included in a document filed with the Commission on March 26, 2019. Accordingly, the Firm was required to file a Form AP by April 30, 2019. However, the Firm did not file a Form AP until June 28, 2019.

53. The Firm's dual-dated audit report for the 2019 Ameri Restatement Audit was first included in a Form 10-K/A filed with the Commission on August 12, 2020. The Firm did not file the related Form AP until April 26, 2021, more than 7 months after the due date of September 16, 2020, and only after receiving notice of the deficiencies from the PCAOB Division of Registration and Inspections.

54. The Firm's repeated failures to timely file Form APs violated Rule 3211.

G. The Firm Violated PCAOB Rules and Quality Control Standards

55. PCAOB rules require a registered public accounting firm and its associated persons to comply with PCAOB quality control standards.³² These standards require that a registered public accounting firm have a system of quality control for its accounting and auditing practice.³³ A firm's system of quality control provides a critical foundation and infrastructure for a firm's audit quality as it should "ensure that services are competently

³² See PCAOB Rule 3100; PCAOB Rule 3400T, *Interim Quality Control Standards*.

³³ See Quality Control Standard 20.01, *System of Quality Control for a CPA Firm's Accounting and Auditing Practice*.

delivered and adequately supervised.”³⁴ The quality control system should include policies and procedures to provide the firm with reasonable assurance that the work performed by engagement personnel meets applicable professional standards, regulatory requirements, and the firm’s standards of quality.³⁵

56. As described below, the Firm failed to establish policies and procedures sufficient to provide reasonable assurance that its personnel complied with applicable professional standards and regulatory requirements.

i. The Firm’s System of Quality Control Failed to Provide Reasonable Assurance with Respect to Engagement Quality Reviews

57. PCAOB quality control standards require that a firm’s system of quality control include policies and procedures that address engagement quality reviews pursuant to AS 1220.³⁶

58. Throughout the relevant period, the Firm lacked sufficient policies and procedures to provide reasonable assurance that the work performed by engagement personnel met applicable professional standards with regard to its engagement quality reviews. Specifically, the Firm’s policies and procedures failed to provide reasonable assurance that each issuer audit would be subject to an engagement quality review, that such a review would be documented, that the engagement quality reviewer would document his or her concurring approval of issuance, and that the engagement quality reviewer, if from the Firm, would be a partner or another individual in an equivalent position, as required by AS 1220.

59. Indeed, the Firm was aware that it had not complied with AS 1220 with respect to the 2018 Ameri Audit, but later failed to have an engagement quality review of the 2019 Ameri Restatement Audit.

60. Accordingly, the Firm violated QC §§ 20.17. and .18.

³⁴ QC § 20.02.

³⁵ QC § 20.17.

³⁶ QC § 20.18.

ii. The Firm's System of Quality Control Failed to Provide Reasonable Assurance with Respect to Assembly of Audit Documentation for Retention

61. A firm's quality control policies and procedures should also address the documentation of each engagement in accordance with applicable professional standards.³⁷ As noted above, AS 1215 requires that auditors assemble for retention a complete and final set of audit documentation not more than 45 days after the report release.³⁸

62. At all relevant times, the Firm failed to maintain effective policies and procedures to provide it with reasonable assurance that it would comply with AS 1215's requirements regarding audit documentation. Rather, the Firm had a policy requiring that audit documentation be assembled for retention not more than 60 days after the report release date, which was inconsistent with AS 1215.

63. Accordingly, the Firm violated QC §§ 20.17 and .18.

iii. The Firm's System of Quality Control Failed to Provide Reasonable Assurance with Respect to Monitoring

64. PCAOB quality control standards also provide that policies and procedures, including monitoring procedures, should be established to provide the firm with reasonable assurance that its system of quality control was suitably designed and being effectively applied.³⁹

65. PCAOB quality control standards further provide that one required element of a quality control system is monitoring.⁴⁰ Monitoring involves an ongoing consideration and evaluation of: (a) the relevance and adequacy of the firm's policies and procedures; (b) the appropriateness of the firm's guidance materials and any practice aids; (c) the effectiveness of professional development activities; and (d) compliance with the firm's policies and

³⁷ QC §§ 20.03, .17, .18.

³⁸ AS 1215.15.

³⁹ QC § 20.20; see QC § 30.02, *Monitoring a CPA Firm's Accounting and Auditing Practice*.

⁴⁰ QC § 20.07.

procedures.⁴¹ Monitoring procedures taken as a whole should enable the firm to obtain reasonable assurance that its system of quality control is effective.⁴²

66. To satisfy its monitoring obligations, the Firm's policies required that the Firm perform internal inspections. However, as of April 15, 2021, the Firm had not performed an inspection of completed audit files since it had completed one for engagements for the year ended December 31, 2015. In fact, despite being on notice of the failure to have monitoring procedures in place from the PCAOB Division of Registration and Inspections, the Firm did not perform any inspections of issuer audit engagements in the subsequent two years, and a peer review conducted in 2019 excluded the Firm's issuer audit practice.

67. As a result, over the course of at least six years, the Firm failed to perform an internal inspection to assess whether the work performed by its engagement personnel on issuer audits met the applicable professional standards, regulatory requirements, and the Firm's standards of quality.

68. Despite its knowledge of these quality control and engagement-level deficiencies, the Firm repeatedly failed to follow the monitoring requirements set forth in its policies in violation of QC § 30.02. Therefore, the Firm did not undertake monitoring procedures to enable the Firm to obtain reasonable assurance that its system of quality control was effective in violation of QC §§ 20 and 30.

H. Ramachandran Directly and Substantially Contributed to the Firm's Violations

69. PCAOB Rule 3502 states that "[a] person associated with a registered public accounting firm shall not take or omit to take an action knowing, or recklessly not knowing, that the act or omission would directly and substantially contribute to a violation by that registered public accounting firm of the Act, the Rules of the Board, the provisions of the securities laws relating to the preparation and issuance of audit reports and the obligations and liabilities of accountants with respect thereto, including the rules of the Commission issued under the Act, or professional standards."

70. Ramachandran was the Firm's owner, sole partner, and managing partner for all relevant periods. Accordingly, Ramachandran was responsible for ensuring that the Firm complied with PCAOB rules and standards. He was also principally responsible for developing

⁴¹ QC § 30.02; *see also* QC § 20.20.

⁴² QC § 30.03.

and maintaining quality control policies and procedures applicable to the Firm's auditing practice. He was on notice of the deficiencies in the Firm's system of quality control discussed above, and was in a position to remediate those deficiencies. In addition, Ramachandran served as the engagement partner for the audits of Ameri and TripBorn discussed above.

71. Ramachandran knew, or was reckless in not knowing, that his acts and omissions would directly and substantially contribute to the Firm's violations described above. As a result, Ramachandran violated PCAOB Rule 3502.

IV.

In view of the foregoing, and to protect the interests of investors and further the public interest in the preparation of informative, accurate, and independent audit reports, the Board determines it appropriate to impose the sanctions agreed to in Respondents' Offers. Accordingly, it is hereby ORDERED that:

- A. Pursuant to Section 105(c)(4)(E) of the Act and PCAOB Rule 5300(a)(5), RAM and Ramachandran are hereby censured;
- B. Pursuant to Section 105(c)(4)(A) of the Act and PCAOB Rule 5300(a)(1), the registration of RAM is revoked;
- C. After two years from the date of this Order, RAM may reapply for registration by filing an application for registration pursuant to PCAOB Rule 2101;
- D. Pursuant to Section 105(c)(4)(B) of the Act and PCAOB Rule 5300(a)(2), Ramachandran is barred from being an associated person of a registered public accounting firm as that term is defined in Section 2(a)(9) of the Act and PCAOB Rule 1001(p)(i);⁴³

⁴³ As a consequence of the bar, the provisions of Section 105(c)(7)(B) of the Act will apply with respect to Ramachandran. Section 105(c)(7)(B) provides: "It shall be unlawful for any person that is suspended or barred from being associated with a registered public accounting firm under this subsection willfully to become or remain associated with any issuer, broker, or dealer in an accountancy or a financial management capacity, and for any issuer, broker, or dealer that knew, or in the exercise of reasonable care should have known, of such suspension or bar, to permit such an association, without the consent of the Board or the Commission."

- E. After two years from the date of this Order, Ramachandran may file a petition for Board consent to associate with a registered public accounting firm pursuant to PCAOB Rule 5302(b);
- F. Pursuant to Section 105(c)(4)(D) of the Act and PCAOB Rule 5300(a)(4), the Board imposes a civil money penalty in the amount of \$150,000, jointly and severally, on RAM and Ramachandran;
 - 1. All funds collected by the PCAOB as a result of the assessment of this civil money penalty will be used in accordance with Section 109(c)(2) of the Act.
 - 2. Respondents shall pay the civil money penalty within ten days of the issuance of this Order by (a) wire transfer in accordance with instructions furnished by PCAOB staff; or (b) United States Postal Service money order, bank money order, certified check, or bank cashier's check (i) made payable to the Public Company Accounting Oversight Board, (ii) delivered to the Office of Finance, Public Company Accounting Oversight Board, 1666 K Street, N.W., Washington D.C. 20006, and (iii) submitted under a cover letter, which identifies Respondents as respondents in these proceedings, sets forth the title and PCAOB release number of these proceedings, and states that payment is made pursuant to this Order, a copy of which cover letter and money order or check shall be sent to Office of the Secretary, Attention: Phoebe W. Brown, Secretary, Public Company Accounting Oversight Board, 1666 K Street, N.W., Washington, D.C. 20006.
 - 3. If timely payment is not made, additional interest shall accrue at the federal debt collection rate set for the current quarter pursuant to 31 U.S.C. § 3717. Payments shall be applied first to post-Order interest.
 - 4. With respect to any civil money penalty amounts that Respondents shall pay pursuant to this Order, Respondents shall not, directly or indirectly, (a) seek or accept reimbursement or indemnification from any source including, but not limited to, any current or former affiliated firm or professional or any payment made pursuant to any insurance policy; (b) claim, assert, or apply for a tax deduction or tax credit in connection with any federal, state, local, or foreign tax; nor (c) seek or benefit by any offset or reduction of any award of compensatory damages, by the amount of any part of Respondents' payment of the civil money penalty pursuant to this Order, in any private action brought against either Respondent based on substantially the same facts as set out in the findings in this Order.

5. By consenting to this Order, RAM acknowledges that a failure to pay the civil money penalty described above may alone be grounds to deny any reapplication for registration pursuant to PCAOB Rule 2101.
 6. By consenting to this Order, Ramachandran acknowledges that a failure to pay the civil money penalty described above may alone be grounds to deny any petition to terminate a bar pursuant to PCAOB Rule 5302(c).
- G. Pursuant to Section 105(c)(4)(G) of the Act and PCAOB Rule 5300(a)(9), the Firm is required:
1. Before filing with the Board any future registration application, to establish, revise, or supplement, as necessary, policies and procedures to provide the Firm with reasonable assurance that: (a) Firm personnel will document each engagement, including documentation of the engagement quality reviewer's concurring approval of issuance, in accordance with applicable professional standards; (b) the Firm will properly archive audits in accordance with professional standards, and properly document any changes to the audit documentation after the documentation completion date; (c) the Firm will timely comply with PCAOB rules concerning the reporting of certain audit participants; and (d) the Firm has established monitoring procedures sufficient to enable it to obtain reasonable assurance that its system of quality control is suitably designed and being effectively applied.
 2. To provide with any future registration application a written certification of compliance with the above requirements, in the form of a narrative, exhibits sufficient to demonstrate compliance, and such additional evidence of and information concerning compliance as the staff of the Division of Registration and Inspections may reasonably request.

ISSUED BY THE BOARD.

/s/ Phoebe W. Brown

Phoebe W. Brown
Secretary

August 8, 2023