

BOARD OF PUBLIC ACCOUNTANCY
Professional and Vocational Licensing Division
Department of Commerce and Consumer Affairs
State of Hawaii

MINUTES

Date: Friday, April 10, 2015

Time: 8:32 a.m.

Place: King Kalakaua Conference Room
King Kalakaua Building
335 Merchant Street, 1st Floor
Honolulu, Hawaii 96813

Present: Nelson K.M. Lau, CPA, Chairperson
Gregg M. Taketa, CPA, Vice-Chairperson
Wendy M. Glaus, CPA, Member
Craig K. Hirai, CPA, Member
Darryl T. Komo, CPA, Member
Gabriel Lee, Member
Edward L. Punua, CPA, Member
Keith A. Regan, Member
Rodney J. Tam, Deputy Attorney General ("DAG")
Laureen M. Kai, Executive Officer
Lori Nishimura, Secretary

Excused: Carleton L. Williams, CPA, Member

Guests: Kathy Castillo, Hawaii Society of Certified Public
Accountants ("HSCPA")
Gordon Tom, CPA, President, HSCPA

Agenda: The agenda for this meeting was filed with the Office
of the Lieutenant Governor, as required by Hawaii
Revised Statutes ("HRS") section 92-7(b).

Call to Order: There being a quorum present, the meeting was
called to order at 8:32 a.m. by Chairperson Lau.

Additions/Revisions
to Agenda: Executive Officer Kai requested for the Board to
amend the agenda as follows:

Amendment (typographical error):

4. APPLICATIONS

* * *

D. Ratification of Firm Name Approval

* * *

- 2) [~~Steven~~] Stephen Y.H. Kwock dba
Kwock & Company CPAs

After discussion, it was moved by Mr. Lee, seconded by Mr. Punua, and unanimously carried to approve the amendment above.

Approval of
Minutes of the
March 6, 2015
Board Meeting:

After discussion, it was moved by Mr. Lee, seconded by Mr. Komo, and unanimously carried to approve the minutes of the March 6, 2015 Board Meeting as circulated.

Executive
Session:

At 8:33 a.m., it was moved by Mr. Regan, seconded by Mr. Komo, and unanimously carried for the Board to enter into Executive Session to consider and evaluate personal information relating to individuals applying for licensure in accordance with HRS section 92-5(a)(1), and to consult with the Board's attorney on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities in accordance with HRS section 92-5(a)(4).

EXECUTIVE SESSION

At 9:01 a.m., it was moved by Mr. Regan, seconded by Ms. Glaus, and unanimously carried for the Board to move out of Executive Session and to immediately recess the meeting.

At 9:15 a.m., the Board reconvened its scheduled meeting.

Applications for
CPA Certification:

After discussion, it was moved by Mr. Regan, seconded by Ms. Glaus, and unanimously carried to approve the following applications for certification:

1. BETTENCOURT, Christie L.
2. CHRISTENSEN, Debbi J.
3. COTE, Pamela J.
4. FISHER, Ellen S.
5. GATELY, Jill W.
6. GRIFFIN, Jennifer L.
7. KOESTNER, Daniel J.
8. YOUNG, Justin J.K.L.

Ratification of
Individual CPA
Permits to Practice:

After discussion, it was moved by Mr. Lee, seconded by Mr. Punua, and unanimously carried to ratify the approval of the following individual CPA Permits to Practice:

1. ABSHER, Alicia L.
2. CRIVELLO, Jared A.
3. HO, Ching Man
4. LIU, Rachel X.
5. MCKINNEY, Thomas T.
6. MOTT, Debra L.A.
7. MYERS, Marlo R.
8. OLSON, Jari G.
9. SONG, Mun-Hee
10. TOKUYOSHI, Lisa N.

Ratification of Issued
Firm Permits to
Practice:

After discussion, it was moved by Mr. Komo, seconded by Vice-Chairperson Taketa, and unanimously carried to ratify the approval of the following issued Firm Permit to Practice:

1. THOMAS T MCKINNEY

Ratification of Firm
Name Approval:

After discussion, it was moved by Vice-Chairperson Taketa, seconded by Mr. Punua, and unanimously carried to ratify the approval of the following Firm Name:

1. Robert T. Nii, CPA
2. Stephen Y.H. Kwock
dba Kwock & Company CPAs

Chairperson's
Report:

A. Revision to the Temporary Permit to Practice Form

Chairperson Lau noted that at the Board's last meeting, Mr. John Roberts of the Hawaii Association of Public Accountants ("HAPA") had commented that HAPA's second study found that the current Temporary Permit to Practice application form did not request the status of an applicant who may not be a U.S. citizen, a U.S. national, or an alien authorized to work in the U.S., which is information that is required of applicants who apply for Hawaii CPA licenses. Chairperson Lau stated that the Temporary Permit to Practice application form has been revised to include that question relating to the applicant's citizenship information, and further revised to request the General Excise Tax license number of the CPA firm with which the out-of-State CPA is affiliated.

B. Board Member Terms Ending on June 30, 2015

Chairperson Lau stated that the following Board members' terms end on June 30, 2015:

- Ms. Glaus,
- Mr. Hirai,
- Chairperson Lau, and
- Mr. Regan.

He noted the uncertainty with new appointments to the Board, with Mr. Regan who will be finishing up his second and last term, and Ms. Glaus and Mr. Hirai declining a second term.

C. NASBA Committees

Chairperson Lau reported that NASBA is asking interested prospective committee members to apply by April 29, 2015. He noted that currently Vice-Chairperson Taketa serves on the Education Committee, Mr. Hirai serves on the Ethics Committee, and Mr. Williams serves on the Regulation Response Committee. A NASBA committee member's term is for one year.

D. National and Industry Update

None.

E. Rescheduled Board Meeting Dates

1. October 9, 2015 (Friday) changed to October 2, 2015 (Friday)
2. November 13, 2015 (Friday) changed to November 3, 2015 (Tuesday)

Chairperson Lau announced the above amended meeting dates.

Standing Committee

A. Communications

Committee Chairperson Lee reported that NASBA continues to assist in the effort to launch a Board newsletter, and that he has received articles from Ms. Glaus, Continuing Professional Education Committee Chairperson, and Vice-Chairperson Taketa, Peer Review Committee Chairperson, to be included in the Board's proposed newsletter. However, Mr. Lee commented that, rather than an infrequent newsletter, perhaps the information could be included on the Board's website, ensuring better communication with the Board's licensees.

Board members expressed agreement with this proposal, stating that this might be a more effective way to get the information out to interested parties.

B. Continuing Professional Education

Committee Chairperson Glaus had no report.

C. Ethics

1. Re-codified AICPA Code of Professional Conduct

Committee Chairperson Hirai had no report.

D. Legislation and Rules

Due to Committee Chairperson Williams' excused absence, this agenda item was deferred to the next meeting.

E. Mobility

1. Update on Senate Bill No. 543, Senate Draft 1, Relating to Public Accountancy

Committee Chairperson Taketa reported that the bill had been referred to three (3) House Committees, and that no hearings had been scheduled, and thus no further action on this bill had been taken during this current legislative session.

F. Peer Review

1. HSCPA Plan of Administration

Vice-Chairperson Taketa reported that the Board's three (3) concerns relating to the latest draft of the Plan of Administration ("POA") had been graciously agreed to by the HSCPA, and he thanked them on behalf of the Board for their cooperation. DAG Tam and the Executive Officer both commented that there were typographical and other minor edits that would also need to be incorporated in the final draft, and that these changes would be communicated to the HSCPA as soon as possible.

After discussion, it was moved by Vice-Chairperson Taketa, seconded by Mr. Komo and unanimously carried to accept the HSCPA Plan of Administration, with the afore-mentioned typographical and other minor edits.

2. Operating Agreement with HSCPA as Sponsoring Organization

Chairperson Lau informed the Board that the draft Operating Agreement will be circulated to members of the Board and the Peer Review Oversight Committee for their review. He further stated that concerns should be forwarded to the Executive Officer and if no concerns are received, the draft Operating Agreement will be forwarded to HSCPA for their review and comments.

3. Update on Announcements

Chairperson Lau stated that the *Important Announcement Regarding Mandatory Peer Review* has been

uploaded to the Board's website. He further stated that the Department of Commerce and Consumer Affairs will be mailing out a postcard notification to currently licensed CPA firms to notify them of the deadline date of December 31, 2015 by which to register with the HSCPA, which is a Board-approved peer review sponsoring organization. He noted that due to the limited verbiage allowed on a postcard, the postcard notification may be brief and refer the firm to the Board's website for more detailed information.

Chairperson Lau verified with Ms. Castillo of the HSCPA, that she would be providing a listing of CPA firms who have already registered with the HSCPA's peer review program; these firms would not be mailed the postcard notification. Ms. Castillo also commented that the recent issue of HSCPA's *KALA* magazine includes an article on the Board's mandatory peer review program.

4. Peer Review Forms

Chairperson Lau expressed appreciation to Committee Chairperson Taketa for drafting the following forms for review and approval by the Board: (1) Notice of Peer Review Enrollment December 31, 2014; (2) Notice of Peer Review Enrollment Post 2014; and (3) Notice of Performing Hawaii Attest Work. He asked Board members to review the forms that would soon be emailed to them for discussion at the May Board meeting. These forms would be made

available on the Board's website, and it was hoped that they would be "fillable"-type forms that could be completed online.

G. Uniform CPA Examination

Committee Chairperson Regan reported that he had met with the University of Hawaii ("UH") Maui College, Director of Continuing Education & Training, Dr. Lori Teragawachi, who was very interested in the possibility of providing a test site for the Uniform CPA Exam on Maui; however, she did raise questions concerning exam security, frequency, control over resources, compensation, expenses, and supervision/direction of test proctors. Mr. Regan stated that Dr. Teragawachi had contacted Prometric and was informed that they are not looking to expand at this time, but would put Maui College on its list of prospective sites. Mr. Regan noted that Prometric does administer other examinations at the Maui College test site, and so Dr. Teragawachi is very interested in adding the Uniform CPA Examination to the Maui site.

Vice-Chairperson Taketa stated that he is meeting with John Higgins and Roberta Barra from the UH Hilo Accounting Department to discuss the prospective test site at UH Hilo. Mr. Taketa offered to provide Mr. Regan with contact information for Ms. Kimberly Farace of Prometric, with whom Mr. Taketa is working.

Open Forum: None.

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Next Board Meeting: Friday, May 8, 2015
8:30 a.m.
King Kalakaua Conference Room
King Kalakaua Building
335 Merchant Street, 1st Floor
Honolulu, Hawaii 96813

Announcements: None.

Adjournment: There being no further discussion, the meeting adjourned at 9:47 a.m.

Taken and recorded by:

/s/ Lori Nishimura

Lori Nishimura, Secretary

Reviewed and accepted by:

/s/ Laureen M. Kai

Laureen M. Kai, Executive Officer

LMK:ln

05/04/15

[X] Minutes approved as is.
[] Minutes approved with changes. See Minutes of _____.