

**BOARD OF PUBLIC ACCOUNTANCY
PEER REVIEW OVERSIGHT COMMITTEE (“PROC”) MEETING**
Professional and Vocational Licensing Division
Department of Commerce and Consumer Affairs
State of Hawaii

MINUTES

Date: Friday, November 8, 2013

Time: 10:18 a.m.

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

Present: Dwayne Takeno, CPA, Chairperson
Wilcox Choy, CPA, Member
Gordon Ciano, CPA, Member
Rodney J. Tam, Deputy Attorney General
Laureen M. Kai, Executive Officer
Alice Worthy, Secretary
Patti Kodama, Secretary

Guests: Rodney Harano, CPA, CW Associates, CPAs
Steve R. Oberg, CPA, Investigative Committee on Peer
Review (“ICPR”) Chairperson
Nelson K.M. Lau, CPA, ICPR Member
Gregg M. Taketa, CPA, ICPR Member
Carleton L. Williams, CPA, ICPR Vice-Chairperson

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 10:18 a.m. by Chairperson Takeno.

Additions/Revisions
to Agenda: None.

Approval of
Minutes of the
October 1, 2013
PROC Meeting:

After discussion, it was moved by Mr. Choy, seconded by Mr. Ciano, and unanimously carried to approve the minutes of the October 1, 2013 Peer Review Oversight Committee ("PROC") meeting as circulated.

PROC Process
Discussion and
Recommendations:

This agenda item had been deferred from the last PROC meeting.

A. HSCPA Review Committee Application

Chairperson Takeno provided handouts that he downloaded from the website of the National Association of State Boards of Accountancy ("NASBA") regarding review committee member applications. He proposed that the application used by the Tennessee State Board of Accountancy could a model to be used by the PROC for the application of the Hawaii Society of Certified Public Accountants ("HSCPA").

B. Operating Agreement Between HSCPA and Board of Public Accountancy

The operating agreement would be between the Board of Public Accountancy ("Board") and HSCPA (or other sponsoring organization) for State oversight of the peer review program. The operating agreement of the Mississippi State Board of Public Accountancy was proposed as the model for Hawaii's agreement. Mr. Ciano volunteered to take a look at the sample agreement to determine what needs to be included in the agreement to be used by the Hawaii Board, and will work with HSCPA on this. Once the agreement is in draft form, the PROC will present it to the Board for review. It was suggested that Deputy Attorney General Tam also review the draft agreement, which should be signed by the Board chairperson and the HSCPA. Executive Officer Kai also said that the

Board's review will need to ensure that the agreement complies with HRS section 466-31 through 466-43, the statutes pertaining to the peer review process.

Discussion ensued on the Hawaii supplement to the peer review report, as mandated in HRS section 466-36. PROC members requested that HSCPA be asked what it may be able and/or willing to do to assist in the administration of the Hawaii supplement.

It was agreed that HSCPA must first submit its peer review administration plan to the Board for consideration. Since HSCPA already administers the AICPA peer review program, its administration plan will be comprehensive and may thus be sufficient to comply with the requirements of HRS section 466-42. It was noted that the plan must also comply with the accepted standards of the AICPA/HSCPA peer review program. As such, it may be that the operating agreement is not necessary.

After further discussion, it was moved by Mr. Choy, seconded by Mr. Ciano, and unanimously carried to instruct the Executive Officer to make an official request on behalf of the PROC and the Board to HSCPA to submit its peer review administration plan for review and consideration as an approved sponsoring organization.

C. Summary of Peer Review Committee Meeting

PROC members reviewed the handout provided by Chairperson Takeno.

D. Summary of Report Acceptance Body Meeting

PROC members reviewed the handout provided by Chairperson Takeno. It was noted that this

report would be used by PROC members who attend meetings of the Report Acceptance Body.

Open Forum: None.

Next PROC Meeting: Friday, December 13, 2013
10:00 a.m.
King Kalakaua Conference Room
King Kalakaua Building
335 Merchant Street, 1st Floor
Honolulu, Hawaii 96813

PROC members were asked to let the Executive Officer know at least two weeks prior to the December 13, 2013 meeting whether the meeting will be necessary.

Announcements: None.

Adjournment: There being no further discussion, the meeting adjourned at 11:08 a.m.

Taken and recorded by:

/s/ Patti Kodama

Patti Kodama, Secretary

Reviewed and accepted by:

/s/ Laureen M. Kai

Laureen M. Kai, Executive Officer

LMK:pk

12/06/13

[X] Minutes approved as is.

[] Minutes approved with changes. See Minutes of _____.