

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

MINUTES

Date: May 28, 2021

Time: 08:30 a.m.

Place: Virtual Videoconference Meeting – Zoom Webinar
(use link below)
<https://dcca-hawaii-gov.zoom.us/j/96284313713>

Present: Darryl T. Komo, CPA, Chairperson
Gary Y. Miyashiro, CPA, Vice-Chairperson
Carleton L. Williams, CPA, Member
Christopher K. Lee, CPA, Member
Edward L. Punua, CPA, Member
John W. Roberts, CPA, Member
Jon Arbles, CPA, Member
Christopher J. I. Leong, Deputy Attorney General (“DAG”)
Kedin C. Kleinhans, Executive Officer (“EO”)
Candace M. Y. Ito, Acting Supervising Executive Officer
Jenny M. Yam, Executive Officer
Rochelle U. Araki, Executive Officer
Micah A. Cadalzo, Secretary
Christine V. Dela Cruz, Office Assistant
Stephanie M. Karger, Office Assistant

Excused: Brian Uemori, Member
Terrence H. Aratani, Member

Guest(s): None.

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).

A brief video was played to explain procedures for this virtual meeting and how members of the public can participate and interact with the Board during the meeting.

Call to Order: Chairperson Komo welcomed everyone to the meeting and proceeded with a roll call of the Board members. All Board members confirmed they were present with the exception of Mr. Uemori and Mr. Aratani who were excused.

There being a quorum present, Chairperson Komo called the meeting to order at 8:32 a.m.

Chairperson Komo provided verbal instructions to attendees on how to connect to the meeting via internet or through phone access. He reminded attendees that all microphones will be muted. If anyone would like to speak, they should raise their hand and when called upon they will be limited to five minutes of testimony per agenda item.

Newly appointed Board member, Mr. Arbles, introduced himself to Board members and staff.

Chairperson Komo announced an amendment to the agenda, as follows: (with new material underscored in bold and repealed material bracketed and stricken through)

Agenda Item #3. A. "CPA Certification"

~~[1] CALVIN, Shannon P.]~~ **1) SHANNON, Calvin P.**

Approval of the
Minutes of the
April 30, 2021
Board Meeting:

Chairperson Komo asked if any members of the public would like to provide oral testimony on this agenda item. There were none.

After discussion, it was moved by Mr. Punua, seconded by Vice-Chairperson Miyashiro, and unanimously carried to approve the April 30, 2021 meeting minutes, with the following amendments (with new material underscored in bold and repealed material bracketed and stricken through):

On page 4, tenth paragraph, first sentence:

"Mr. Roberts added there may be implications **regarding possible** activity. With respect to whether the report is acceptable, the matter would have to be referred to the Commissioner.

On page 7, first paragraph, first sentence:

"Mr. Aratani reported that the Senate Bill 1103, HD1 was passed by the [~~Legislator~~] **Legislature** and is now enrolled to the Governor's office to be reviewed. He added that during the Conference Committee meeting, the defective date has been changed to "upon approval"."

Applications:

At 8:43 a.m., it was moved by Mr. Roberts, seconded by Vice-Chairperson Miyashiro, and unanimously carried 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). (Note: Board and staff moved to Teams.)

EXECUTIVE SESSION

At 8:52 a.m., it was moved by Mr. Punua, seconded by Vice-Chairperson Miyashiro, and unanimously carried for the Board to move out of Executive Session.

Applications:

A. CPA Certification

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

- 1) SHANNON, Calvin P.
- 2) CHRISTENSEN, Wendy
- 3) ERICKSON, Jenny M.
- 4) GADIANO, Jahzeiah M.
- 5) MARAVILLA, Philip G.

B. Ratification of Individual CPA Permit to Practice

Mr. Roberts left the meeting at 8:55 a.m., and returned shortly thereafter at 8:56 a.m.

After discussion, it was moved by Mr. Punua, seconded by Vice-Chairperson Miyashiro, and unanimously carried, noting Mr. Lee recused from discussion and voting on this application, to ratify the following permit to practice:

- 1) MINOURA, Ayaka

Old Business:

Chairperson Komo asked if any members of the public would like to provide oral testimony on this agenda item. There were none.

A. Inquiry from Mike Ching – Audit Reports Provided to the Hawaii Insurance Division

Chairperson Komo briefed the Board regarding Mr. Ching's inquiry that was discussed at its last meeting.

DAG Leong further looked into the matter and stated that he is of the opinion there is no conflict between the administrative rules of the Board and the Insurance Division as previously suggested.

Chairperson Komo concurred with DAG Leong's comment that the Board will stand its previous ruling: in the case of reports presented to the Commissioner, there needs to be a Hawaii-licensed CPA for the firm that is issuing the audit report or responsible for signing the report.

Mr. Roberts brought forward a matter regarding reports that were already issued that may not have been signed by a Hawaii-licensed CPA; however, he noted this matter is not unique to the insurance industry.

Mr. Robert suggested further coordination in the Department of Commerce and Consumer Affairs to make known there are two areas of compliance, the requirements of the Insurance Division, and of the Board. EO Kleinhans responded that he will reach out to the Insurance Division.

Chairperson Komo asked DAG Leong whether the Board can provide guidance to other divisions. DAG Leong responded that it is not within the Board's authority to opine on filings with the Insurance Division.

Ms. Ito indicated that if the Board has copy of the filings, and deemed that there may be possible unauthorized practice of accountancy, the matter may be referred to Regulated Industries Complaints Office ("RICO") for investigation.

After discussion, the Board asked that EO Kleinhans reach out to the Commissioner regarding the possible conflict of both rules, and possibly sending out informational notice to other divisions.

New Business:

Chairperson Komo asked if any members of the public would like to provide oral testimony on this agenda item. There were none.

A. Contractor Licensing Board Requirement of Signed Financial Statement

Chairperson Komo briefed the Board on an inquiry where a company had applied for a contractor license, but the financial statement was not accepted because the signature of the CPA did not match the financial statement filed separately by the CPA firm.

Acting Supervising EO Ito who is the Executive Officer of the Contractor Licensing Board was present at the meeting and indicated that what Chairperson Komo described is acceptable by the Contractor Licensing Board.

Correspondence:

A. Emailed Request from Alan Ochoa – Extension of Exam Credits

EO Kleinhans briefed the members on the requestor's inquiry. He noted Mr. Ochoa requested to extend his examination credits until August 2021.

After discussion, it was moved by Mr. Punua, seconded by Vice-Chairperson Miyashiro, and unanimously carried to extend Mr. Ochoa's examination credits until August 2021.

Legislative Standing Committee Report:

Chairperson Komo asked if any members of the public would like to provide oral testimony on this agenda item. There were none.

A. Senate Bill No. 1103, House Draft 1, Conference Draft 1 Relating to the Peer Review Oversight Committee

EO Kleinhans reported that as of April 29, 2021, the Senate Bill 1103, HD1, CD1 was enrolled to the Governor for review.

Executive Officer's Report:

Chairperson Komo asked if any members of the public would like to provide oral testimony on this agenda item. There were none.

A. Hawaii Administrative Rules Chapter 71 – Update on Rule Amendments

EO Kleinhans reported that the Administrative of Services Office ("ASO") is drafting the summary and signature pages. After receiving the final draft package, the rules will be routed to offices of the Director and Attorney General for approval and signature.

Next Board Meeting:

- Friday, June 25, 2021
8:30 a.m.
Virtual Zoom Webinar

Announcements:

Chairperson Komo shared that the public online license search does not indicate whether a CPA holds an additional special privilege, such as permit-to-practice license. EO Kleinhans will look into the matter.

Adjournment:

There being no further discussion, the meeting adjourned at 9:22 a.m.

Reviewed and approved by:

Taken and recorded by:

/s/ Kedin C. Kleinhans

/s/ Micah Cadalzo

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Kedin C. Kleinhans
Executive Officer

Micah Cadalzo
Secretary

KCK:mc

06/17/21

- Minutes approved as is.
- Minutes approved with changes. See minutes of.