

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

MINUTES

Date: January 27, 2023

Time: 8:31 a.m.

Place: King Kalakaua Conference Room  
HRH King Kalakaua Building  
335 Merchant Street, First Floor  
Honolulu, Hawaii 96813

Members Present: Gary Y. Miyashiro, CPA, Chairperson (“Chair”)  
Jon Arbles, CPA, Vice-Chairperson (“Vice Chair”)  
Christopher K. Lee, CPA, Member  
John W. Roberts, CPA, Member  
Zachary Johnson, CPA, Member  
Alexander Smith, CPA, Member

Member(s) Terrence Aratani, Public Member

Excused: Brian Uemori, Public Member

Staff Present: Lee Ann Teshima, Executive Officer (“EO Teshima”)  
Hector West, Executive Officer (“EO West”)  
Christopher Leong, Deputy Attorney General (“DAG”)  
Leanne Abe, Secretary

Guest(s): Marilyn Niwao, President, Hawaii Association of Public Accountants  
(HAPA)

Call to Order: The Chair took a roll call of the Board members and excused Mr. Aratani  
and Mr. Uemori from today’s meeting. The meeting was called to order at  
8:31 a.m.

Chair’s Report: **Announcements**

EO Teshima introduced new DCCA staff member in training, Mr. Hector  
West, to the Board.

**Approval of the Minutes of the November 18, 2022 Meeting**

The Chair called for a motion to approve the minutes of the November 18,  
2022 meeting.

Upon a motion by Mr. Smith, seconded by Mr. Lee, it was voted on with  
The Chair, Vice Chair, Mr. Smith, Mr. Lee, and Mr. Johnson voting yes

and Mr. Roberts abstaining since he was not present at that meeting to approve the minutes as circulated. The motion carried.

### **American Institute of Certified Public Accountants (AICPA) - 8-Point Plan**

The Chair wanted to discuss the AICPA's 8-point draft plan that is intended to address the CPA pipeline issue. The draft proposes eight initiatives on how to increase supply of competent and diversified pool of accounting practitioners.

#### **AICPA 8-point plan (Initiatives):**

1. Integrated Education and Experience Program-After a bachelor's degree is earned and before earning 150 credit hours.
2. 30-hour Communication Campaign
3. Extending the 18-month Exam Window for Candidates
4. Consider and Address Jurisdictional Barriers to Initial Licensure
5. High School and College Strategies
6. STEM Recognition
7. Endowment/The AICPA Foundation
8. Stakeholder Calls to Action

#### Integrated Education and Experience Program-After a bachelor's degree is earned and before earning 150 credit hours:

Mr. Roberts stated that having served in the National Association of the State Boards of Accountancy (NASBA), in response to the general comment contained in the cover/transmittal e-mail regarding jurisdictional barriers to initial licensure: Contrary to what the AICPA implies, interstate jurisdictional barriers are at most a minor issue impacting the supply of new CPAs compared to the 150-hour rule, he is not in favor of the 150 credit hours initiative as this would create an additional barrier of entry to the accounting profession. This initiative discourages prospective CPA applicants to enter the profession.

He stated that the goal of attracting students to the accounting profession seems to ignore the obvious that by raising the educational requirement to 150 hours, this will result in raising the students' cost of admission to the profession without demonstrable benefits to either consumers or practitioners from this change. It would be better for the profession's regulatory bodies to admit the mandatory 150-hour standard was a mistake and make the additional 30-hour educational requirement optional. He recommended to allow the substitution of two years additional work experience in public accounting for 30 credit hours above the base 120-hour requirement and that in the case of Hawaii, this would allow the return to the general non-audit experience requirements under which most of the present members of the Board of Public Accountancy became licensed: 1) 150 hours and two years of public accounting experience or 2) 120 hours and four years of public accounting experience. He stated there is no need to integrate this substitution into a

formal accredited program with the associated additional bureaucracy and that we should keep it simple by just requiring the applicant's supervisor holding a permit to practice to certify the extra two years of experience. The IEEP proposal of creating essentially accredited internships to facilitate meeting the additional 30 hours would raise the cost of the internships to CPA firms. The college program bureaucracy for students to receive credit for work experience with my own firm eventually caused my firm to cease participating with internship programs for credit. Again, keep it simple for both the students and the CPA firms.

Mr. Roberts stated that in general, the governing bodies controlling CPA licensure are choking the profession to death through overregulation. If we extrapolate the current trends, the number of CPE providers will continue to decrease, CPE training costs will increase, and the operating costs of CPA firms will increase, all causing the availability of CPA services to go down. One only has to look at the drop in Maui-based CPA firms providing audit services on Maui to see the adverse impact of overregulation, whether through Peer Reviews or CPE training. He stated he understands that Hawaii attorneys are only required to have three hours of CLE per year, yet there is no public outcry over the quality of legal services provided. The demand for CLE is essentially driven by the forces of the free marketplace. If an attorney believes he or she needs more training to serve a client, he or she simply obtains the training without a regulatory body mandating it. While the intentions of the regulatory bodies are good, their incremental changes run counter to an aphorism attributed to French philosopher Voltaire: Perfect is the enemy of good. Insistence on pursuing perfection results in diminishing returns and inefficiencies that raise the cost of CPA services and reduce the availability of those services to consumers.

The Chair opined that he is in favor of extending the 18-month exam window for candidates if it increases the pipeline of candidates.

Mr. Roberts expressed his concern of extending the 18-month exam window for candidates. He questioned if allowing too much time to complete all four (4) sections of the CPA exam would affect the quality of candidates in the profession.

Mr. Smith expressed that quality candidates is important.

The Vice Chair stated that he does not want to extend the 18-month exam window any further.

Mr. Johnson believes that extending the 18-month exam window for a CPA candidate to pass all four (4) sections of the CPA Exam does not benefit the applicant.

The Chair stated that he would draft a response of the plan for consideration by the Board at their next scheduled meeting.

### **Continuing Professional Education (CPE)**

#### Continuing Professional Education Sponsor Agreement(s)

Kwock & Company is already on the "Approved CPE Sponsors (2022-2023)" list so no action was taken.

Upon a motion by Mr. Roberts, seconded by Mr. Lee, it was voted on and unanimously carried to approve the following application for CPE Sponsor Agreement:

James Jurinski - BrownBagCPE

#### AICPA – Proposed Statements on Standards for Continuing Professional Education Programs

The Chair asked the Board members if they had any comments on the proposed standards for CPE.

Seeing none, the Chair asked if anyone attending would like to address the Board on this agenda item.

Ms. Niwao, President of HAPA asked to address the Board.

Ms. Niwao stated that this proposal exempts agency CPAs which is unfair and that the AICPA does not have the same standards as state organizations. She further stated that NASBA is costly, and the AICPA would require that this fall under NASBA. She stated that they (AICPA) should have a different criteria for state organizations or get rid of this exemption for the AICPA affiliates.

#### Hawaii Approved CPE Sponsors

The Chair announced that the list of Hawaii approved CPE sponsors was distributed and noticed that it has not been updated since February of 2022.

EO Teshima said she would check the minutes since the February 2022 meeting and update the list accordingly.

Upon a motion by Mr. Roberts, seconded by Mr. Smith, it was voted on and unanimously carried to ratify the February 2022 Hawaii list of CPE sponsors.

#### Discussion on HAR §16-71-33 – Basic requirements of study hours.

The Chair stated that he wanted to discuss this section of the administrative rules that was amended in November 2021 that requires an applicant for a permit-to-practice (PTP) to complete eighty (80) hours within a twenty-four-month period and also states that within the twenty-four months prior to the date of the application for a PTP, a minimum of twenty hours must have been completed within each calendar year. In other words, you would not be able to complete all eighty (80) hours in

one year. He stated that due to the lack of notice to the applicant, some CPAs may not be aware of this new requirement.

Mr. Roberts inquired if carryover credits can be applied to the twenty hours of the first calendar year. He suggested a warning letter be issued to the individuals who did not comply with the new rules but met the required eighty (80) hours within a twenty-four-month period.

The Vice Chair stated that an individual may carry over credits to the following year, however, opined that it is not applicable in regard to the section of new rules that states, "a minimum of twenty hours earned within each calendar year."

Mr. Lee asked what the ramification was for those not meeting the eighty (80) hours rule in the past.

The Chair stated that those in violation were referred to the Regulated Industries Complaints Office (RICO).

Mr. Roberts and the Vice Chair suggested that a "Warning" letter is a better option than a RICO referral for now.

Executive Officer's  
Report:

**Legislative Committee Report – 2023 Legislative Session**

EO Teshima reported on SB 727 Relating to Occupational Licensure and asked the board to discuss their position.

The Chair stated that this is the "mobility" bill which proposes to establish procedures and eligibility criteria for a privilege to practice" public accountancy in this State for public accountants and certified public accountants license in another state with comparable education, exam and experience requirements and subject all holders of a privilege to practice to the regulatory and enforcement jurisdiction of this Board.

The Chair also added that this bill has been introduced in the past and that the Board opposed it.

Being no further discussion, it was the consensus of the Board to oppose this bill based on the Board's prior position and testimony that former EO Araceley submitted in 2019 for HB 1109.

The Chair announced the next agenda item.

Standing Committee  
Report:

**Examination Committee**

22Q4 AICPA Scores

Upon a motion by Mr. Johnson, seconded by the Vice Chair, it was voted on and unanimously carried to ratify the 22Q4 AICPA scores for the following dates:

- November 7, 2022

- November 22, 2022
- December 15, 2022
- January 9, 2023

#### CPA Exam Performance Summaries

A copy of the summaries for the following quarters were distributed to the Board for their information:

- 2022 Q2
- 2022 Q3
- 2022 Q4

The Chair announced the next agenda item and that the Board will be discussing these applications in executive session in accordance with Chapter 92-5(a)(1)(2), HRS to consider and evaluate personal information relating to individuals applying for licensure and to consult with the Board's attorney on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities.

#### Executive Session:

At 10:09 a.m., upon a motion by Mr. Johnson, seconded by Mr. Lee, it was voted on and unanimously carried to move into executive session

At 10:16 a.m., upon a motion by Mr. Roberts, seconded by Mr. Smith, it was voted on and unanimously carried to move out of executive session.

#### Applications:

#### **Applications**

#### CPA License Applications

Upon a motion by Mr. Lee, seconded by the Vice Chair, it was voted on and unanimously carried to approve the following applications for CPA license:

- Annabelle V. Manansala
- Randy E. K. L. Varela
- Jennifer L. Snow
- Christopher C. Lau
- Earvin Michael S. Joven
- Sara E. Anderson
- Junxian Pan
- Joshua D. Billard
- Joel D. Van Cott
- Richards J. Wilkens
- Thomas G. Brown
- Brian E. Van Camp
- Laura A. Weston
- Emily Lan
- Nicolas A. Sandoval

Upon a motion by Mr. Roberts, seconded by the Vice Chair, with the recusal of Mr. Lee, it was voted on with the Chair, the Vice Chair, Mr. Roberts, Mr. Johnson, Mr. Smith voting yes to approve the following application for CPA license:

- William I. Orihuela

Upon a motion by the Vice Chair, seconded by Mr. Lee, with the recusal of the Chair, it was voted on with the Vice Chair, Mr. Roberts, Mr. Johnson, Mr. Lee and Mr. Smith voting yest to approve the following application for CPA license:

- Aaron J. K. Soon

Ratification of CPA Permits to Practice (PTP)

Upon a motion by the Vice Chair, seconded by Mr. Smith, it was voted on and unanimously carried to ratify the following CPAs for a PTP:

Kelsen M. Ikenaga	CPA-6128
Christian L. Hara	CPA-6118
Hana N. Murphy	CPA-6108
Arpanreet Singh Grewal	CPA-6131
Suzanne M. Schiffler	CPA-6127
Qingqin Zhen	CPA-6101
Adam Nomura Luchak	CPA-6110
Brandy J. Stuart	CPA-6125
John J. Scholl	CPA-6095
Jennifer Akemi Sasaki	CPA-6041
Eri Shima	CPA-2602

Ratification of Firm Permits to Practice (FPTP)

Upon a motion by Mr. Lee, seconded by Mr. Johnson, it was voted on and unanimously carried to ratify the following FPTPs:

Bradley S. Nagasako	FPTP-1357
SN Associates LLP	FPTP-1358
Lynne T. Nakama CPA LLC	FPTP-1359

Approval of Firm and Trade Names

Upon a motion by Mr. Lee, seconded by the Vice Chair, it was voted on and unanimously carried to ratify the following trade name(s):

Takamatsu & Co CPA Inc.	FPTP-336
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There being no further agenda items, the Chair announced the next Board meeting to be held in March, but the exact date is to be determined once a meeting room can be reserved.

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Next Board                      Friday, March 24, 2023

Meeting:                        8:30 a.m.  
    TBA

Adjournment:                The meeting adjourned at 10:34 a.m.

Reviewed by:

Taken by:

/s/ Leanne Abe

/s/ Hector West

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Leanne Abe  
Secretary

\_\_\_\_\_  
Hector West  
Executive Officer

LT:la

2/15/23

Minutes approved as is.

Minutes approved with changes. See minutes of the March 24, 2023, meeting.