

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

MINUTES

Date: Friday, April 26, 2019

Time: 8:30 a.m.

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

Present: Gregg M. Taketa, CPA, Chairperson
Darryl T. Komo, CPA, Vice-Chairperson
Terrence H. Aratani, Member
Christopher Lee, CPA, Member
Gabriel Lee, Member
Gary Y. Miyashiro, CPA, Member
Carleton L. Williams, CPA, Member
Christopher Leong, Deputy Attorney General (“DAG”)
Relley W. Araceley, Executive Officer
Olga Reppun, Secretary

Excused: Edward L. Punua, CPA, Member
John W. Roberts, CPA, Member

Guests: 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).

Call to Order: There being a quorum present, the meeting was called to order at 8:30 a.m. by Chairperson Taketa.

Approval of the Minutes of the March 22, 2019 Board Meeting: After discussion, it was moved by Mr. Aratani, seconded by Vice-Chair Komo, and unanimously carried to approve the executive session minutes of the March 22, 2019, meeting as circulated and the open session minutes of the March 22, 2019, meeting with the following amendments:

On page 5, last paragraph should read as follows:

Chair [~~Takata~~] **Taketa** inquired whether the Board members felt that the Board should ask the Attorney General for her opinion on this matter.

On page 6, paragraph 8 should read as follows:

Chair [~~Takata~~] **Taketa** inquired whether the Hawaii Board of Public Accountancy has ever weighed in similarly on legislative issues in another state.

On page 10, paragraph 4 should read as follows:

Chair Taketa suggested that the [~~frist~~] **first** attestation sentence in this section should read ...

On page 11, paragraph 7 should read as follows:

Chair Taketa reported that the **mandatory** peer review **compliance check** report has not been finalized yet and that the matter is becoming more and more urgent as the license renewal period is moving closer.

Chapter 92, HRS,
Adjudicatory Matter:

Chair Taketa called for a recess from the meeting at 8:33 am. to discuss and deliberate on the following adjudicatory matter pursuant to Chapter 91, HRS:

A. In the Matter of the Certified Public Accountant's License of DAVID M. KOSTECKI; ACC 2014-7-L; Settlement Agreement Prior to Filing of Petition for Disciplinary Action and Board's Final Order.

The matter was deferred until May due to technical reasons.

Following the Board's review in this matter pursuant to Chapter 91, HRS, Chair Taketa announced that the Board reconvene to its regular Chapter 92, HRS, meeting at 8:36 a.m.

Applications:

At 8:36 a.m., it was moved by Mr. Aratani, seconded by Mr. G. Lee, 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).

EXECUTIVE SESSION

At 8:43 a.m., it was moved by Mr. Aratani, seconded by Vice-Chair Komo, and unanimously carried for the Board to move out of Executive Session and to immediately recess the meeting.

At 8:55 a.m., the Board reconvened its meeting.

Applications for CPA Certification:

After discussion, it was moved by Vice-Chairperson Komo, seconded by Mr. C.Lee, and unanimously carried to approve the following applications for certification:

- 1) ENDLER, Brett L.
- 2) HANSEN, Douglas J.
- 3) HAYDEN, Iwalani M.M.
- 4) MONTEILH, Christopher J.
- 5) MOON, Christopher C.
- 6) TANIGUCHI, Robyn
- 7) THOMPSON, Steven L.
- 8) WAKAYAMA, Taylor
- 9) WIJESEKERA, Jessica K.

After discussion, it was moved by Mr. Miyashiro, seconded by Mr. C. Lee, and carried by a majority, with the exception of Chair Taketa, who recused himself from the discussion and voting on this application, to approve the following application:

- 1) POEPOE-VIGIL, Chantee

After discussion, it was moved by Mr. C. Lee, seconded by Mr. G. Lee, and carried by a majority, with the exception of Mr. Miyashiro and Mr. Aratani, who recused themselves from the discussion and voting on this application, to approve the following application:

- 1) TIRU, Czarina Marie Pimentel

Ratification of

After discussion, it was moved by Mr. G. Lee, seconded

Individual CPA
Permits to Practice:

by Mr. C. Lee, and unanimously carried to ratify the approval of the following individual CPA Permits to Practice:

- 1) RENFRO, Randy Charles
- 2) SILVA, Shehani K.
- 3) OHMURA, Mai

Ratification of
Issued Firm
Permits to Practice:

After discussion, it was moved by Mr. Aratani, seconded by Mr. G. Lee, and unanimously carried to ratify the approval of the following issued Firm Permits to Practice:

- 1) RICHARD S MORENO

Executive Officer's
Report:

A. DCCA Disciplinary Actions Through March 2019

Executive Officer Araceley circulated the informational monthly report of the Department of Commerce and Consumer Affairs ("DCCA") disciplinary action through March 2019, which includes sanctions that DCCA had taken relating to various boards and programs.

B. American Institute of Certified Public Accountants ("AICPA") State Regulatory Update

Executive Officer Araceley circulated the AICPA State Regulatory Update.

C. Other States' Newsletters

Executive Officer Araceley circulated the newsletters of the North Dakota State Board of Accountancy, Kansas Board of Accountancy, Alabama State Board of Public Accountancy, and North Carolina State Board of Public Accountant Examiners.

D. National Association of State Board of Accountancy Communications

Executive Officer Araceley informed the Board members that Ms. Salazar, who is responsible for the NASBA's Western Region, will be able to come to Hawaii and conduct a presentation/Q&A session for

the Board either in June or August 2019 or in January-February 2020.

Chair Taketa asked the Board members if they were interested in having this type of meeting arranged.

Mr. Williams stated that an in-person session is always valuable. However, if the Board is required to pay for the visit of a NASBA representative, this would not be practical.

E. NASBA Center for the Public Trust Newsletter

Executive Officer Araceley circulated a NASBA Center for the Public Trust newsletter.

Chairperson's Report:

Chair Taketa informed the Board members that the AICPA Peer Review Board Open Session, which he will be attending, is scheduled for May 3rd.

He also informed the members that the NASBA 2019 Western Regional Meeting will take place in Salt Lake City, UT, from June 18 to June 20, 2019.

Chair Taketa asked Mr. C. Lee if he would be attending the meeting. Mr. C. Lee responded that he was not sure yet.

Standing Committee Reports:

A. Legislation and Rules

- 1) Hawaii Administrative Rules ("HAR") Amendments – Legislative Reference Bureau ("LRB") review

Executive Officer Araceley reminded the Board members that it was agreed at the previous meeting that the Board would wait until the end of the legislative session to proceed with the further changes of the Board's chapter of HAR.

Chair Taketa mentioned that, among other issues, the Board might want to consider looking at the question of what constitutes a peer review completion date and

whether the Board needs to clarify this issue using the HAR.

Chair Taketa asked Mr. Aratani if he would be willing to collect any suggested changes to the rules.

Mr. Aratani expressed his agreement.

B. Oregon Society of Certified Public Accountants (“OSCPA”) Update

1) Annual Report on Oversight

The Board reviewed the OSCPAs Annual Report on Oversight for 2017 and 2018 issued on March 22, 2019.

Effective April 2, 2018, the OSCPAs serves as the administering entity for the AICPA Peer Review Program in the state of Hawaii.

The Board members noted that currently 170 (one hundred and seventy) firms enrolled in the OSCPAs review program.

Mr. Williams inquired if any of the Board members knew why, of the 170 (one hundred and seventy) enrolled firms, only 1 (one) of them was a large company (40 (forty) to 99 (ninety-nine) employees).

Chair Taketa responded that the larger companies would probably be enrolled in the National Peer Review. Chair Taketa explained that, when performing the compliance audit, he noticed that large companies were predominantly enrolled into the national program.

2) Memorandum of Understanding

Mr. Miyashiro informed the Board members that there have been no updates on this matter.

C. First Quarter 2019 (January–March) Testing Window

a) Ratification of Hawaii Candidate Examination Scores

Chair Taketa presented the statistics for the first quarter of 2019 (January-March) testing window as follows:

EXAMINATION RESULTS (BY SCORES)

	Number of Scores	Percentage
Credit	52	47%
No Credit	57	52%
Lost Credit	0	0
Voided	0	0
TOTAL	109	100%

TOTALS BY EXAM PARTS (BY CANDIDATES)

	AUD	BEC	FAR	REG	TOTAL
# Attended	34	36	22	17	109
# Passed	17	18	10	7	71
% Passed	50	50	45	41	47

SUCCESSFUL CANDIDATES SUMMARY

# of Passing First Time Candidates	4 (36.36%)
# of Passing Re-Exam Candidates	7 (63.64%)
# of International Candidates	0
# of Passing Candidates	11

After discussion, it was moved by Vice-Chair Komo, seconded by Mr. G. Lee, and unanimously carried to ratify the examination scores from the January-March 2019 testing window.

Open Forum: None.

Next Board Meeting: Friday, May 24, 2019

8:30 a.m.
King Kalakaua Conference Room
King Kalakaua Building
335 Merchant Street, 1st Floor
Honolulu, Hawaii 96813

Announcements: Executive Officer Araceley announced that the filing of the Board members' annual disclosure with the Hawaii State Ethics Commission is due on May 31st. He asked Board members to let him know if someone does not receive an email from the Commission.

Adjournment: There being no further discussion, the meeting adjourned at 9:24 a.m.

Reviewed and approved by:

Taken and recorded by:

/s/ Relley W. Araceley

/s/ Olga Reppun

(Mr.) Relley W. Araceley
Executive Officer

(Ms.) Olga Reppun
Secretary

RWA: Or

05/16/19

[x] Minutes approved as is.
[] Minutes approved with changes. See _____.