

- B.** Review and discussion regarding memorandum, “Newsflash 2005-16, Ethics CPE Requirement” – Mr. Au presented the issue of certified public accountants (CPA’s) being self-regulated and the notion as to whether these practitioners are “practicing ethically.” Because there are currently no ethical training requirements, it was viewed that some type of ethical component should be included in the accountant’s required 40 hours of annual training. Mr. Isaac Choy, President of Hawaii Association of Public Accountants, noted that the Hawaii State Board of Accountancy does not have a clear set of rules regarding regulatory authority to mandate ethical conduct for CPA’s. He distributed the last minutes of the State Board of Public Accountancy’s board meeting, and expressed his concern that there is a lack of processes and procedures regarding the new ethics CPE requirement. Essentially, Mr. Choy is requesting “guidelines,” and once these are in place, the industry would need to adhere to those guidelines.

It was suggested that Ms. Palcovich request that the SBRRB be placed on the next State Board of Public Accountancy’s meeting agenda, and that Mr. Au attend that meeting on behalf of this Board and to explain their concerns. Once this is done, this item will again be placed on the Board’s agenda. Ms. Chang recommended the rules and regulations that govern the accounting industry be requested; the members unanimously agreed.

- C.** Review and discussion regarding “Request for administrative rules including written approval or explanation of rejection of taxicab rate card and meter rate setting to industry stakeholders” – Mr. Charles Morita, President of Taximeter Radios & Service, LLC, indicated that he installs taximeters and has been in the taxi business his whole life. The purpose of attending the meeting is to request administrative rules through the Department of Commerce and Consumer Affairs that would regulate the taxicab and taximeter industry with consistent standards. He explained that the City and County sets forth a “maximum rate” for taximeters but allows the taxi companies to charge less than the maximum rate. He stated that the meters should be correctly regulated by the law and that the rate card should accurately state the rate. He further stated that “Weights and Measures,” a division attached to the Department of Agriculture, has a statutory responsibility to register and inspect all taximeters, is responsible in determining if the meters are appropriate for use, if they are installed correctly and if they measure accurately. The rate cards, which are inspected annually, are inspected by exactly what the rate cards show.

Mr. Morita contacted the Governor’s office, the City and County of Honolulu and DOA regarding his concerns, noting that the response was very similar from each, and that no changes were made in assisting Mr. Morita’s plight. Chair Woods recommended that the Board request a copy of the respective rules from DOA that govern taximeters, Handbook 44; these are based on national standards. This agenda item will be deferred until the February Board meeting or until such time that an invitation can be extended to the appropriate representatives from the State and City and County of Honolulu.

- D.** Discussion of proposed bill for DBEDT assistant – Chair Woods mentioned that, as everyone knows, the Board is currently without clerical support. This was discussed with DBEDT Director Liu, and it was recommended that the Board approach a legislator to either introduce a new bill for a permanent civil service position or to include the proposal in the existing Regulatory Flexibility Act bill. There are currently a few processes in place for posting an in-house assistant; however, all positions would be on a temporary basis. If the bill was introduced and passed, it would be effective July 1st. Ms. Chang recommended that the Board approach a favorable, elected politician to introduce a bill that would provide the Board with a permanent civil service clerical staff position; the Board unanimously agreed.

VI. UP-DATE AND OUTCOME OF STRATEGIC PLAN

- A.** Howard Dicus show – Members reviewed the taped Howard Dicus show that aired a few weeks ago on public television when Chair Woods was presented as a guest speaker and spoke on the Small Business Regulatory Review Board. Mr. Smyth suggested that the Board consider the print version of *Pacific Business News* as well as Mr. Dicus’ radio show for future public relations projections. Chair Woods conveyed that as part of the Board’s strategic plan,

members are to get more involved in the media and in outreach programs. She encouraged each member to build upon their outreach endeavors.

- B. Update of annual and 201M-7 reports – A draft annual report was distributed to the members; Chair Woods interjected that this report is mandated by the legislature and it keeps the legislators apprised of the annual work performed by the Board. It was suggested that a “Board Commentary” section be included in the report requesting the support of the legislature for a permanent civil service position to assist with the duties of the Board. Ms. Chang recommended that the Board approve the Hawaii Small Business Regulatory Review Board Annual Report for the period of December 2004 to December 2005 with the noted changes; the Board unanimously agreed.

- VII. **REPORT FROM THE CHAIR** – Chair Woods indicated that the Board is still in need of two members; she spoke with DBEDT Director Liu regarding this issue who has been very pro-active with his efforts to assist.

Chair Woods announced that Vice Chair Handgis will not be in attendance for a few months; thus, for the time being, Chair Woods will review administrative rules from the Department of Land and Natural Resources. She conveyed that she will not be in attendance for some of the meetings this year; Ms. Palcovich will email the members those months. If other members know that they will not be in attendance at any of the meetings, please let Ms. Palcovich know.

- VIII. **REPORT FROM COMMITTEES** – Nothing was reported.

REPORT AND UPDATE FROM BOARD MEMBERS – Ms. Chang introduced and nominated Attorney Russel Yamashita as a potential new Board member. Mr. Yamashita stated that he is very interested in being a member because he felt the Board had an important function. He is an attorney and a certified public accountant, and has worked in the past for the State as a security commissioner and administrator for a number of years. Mr. Yamashita’s nomination will be placed on the February agenda for formal voting.

- IX. **ANNOUNCEMENTS** – Business cards were distributed to the members. Also distributed were the Office of the Ombudsman’s 2004 to 2005 annual reports for the members’ review.

- X. **NEXT MEETING** - Tuesday, February 14, 2006, No. 1 Capitol Building, Room 410.

- XI. **ADJOURNMENT** – Chair Woods adjourned the meeting at 1:20 p.m.