

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

MINUTES

Date: Friday, January 6, 2012

Time: 8:30 a.m.

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

Present: Thomas T. Ueno, CPA, Chairperson
Kent K. Tsukamoto, CPA, Vice-Chairperson
Wendy Miki Glaus, CPA, Member
Craig K. Hirai, CPA, Member
Nelson K.M. Lau, CPA, Member
Steven R. Oberg, CPA, Member
Keith A. Regan, Member
Emerito C. Saniatan, Member
Rodney J. Tam, Deputy Attorney General
Laureen M. Kai, Executive Officer
Lori Nishimura, Secretary

Excused: Michael Ching, CPA, Member

Guests: John W. Roberts, CPA, President, Hawaii Association of
Public Accountants ("HAPA")

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 Ueno.

Additions/Revisions
to Agenda: None.

Executive
Session:

At 8:31 a.m., it was moved by Mr. Regan, seconded by Mr. Oberg, and unanimously carried for the Board 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 9:26 a.m., it was moved by Mr. Lau, seconded by Vice-Chairperson Tsukamoto, and unanimously carried for the Board to move out of Executive Session.

The Board immediately recessed the meeting.

At 9:30 a.m., the Board reconvened its meeting.

Applications for
CPA Certification:

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

1. AFUSO, Gary K.
2. DUQUETTE, Benjamin C.S.
3. GARCIA, Ana Maria
4. HEE, Nicole L.L.
5. HUNT, Max E.
6. SCHULTZ, Mark F.
7. SHIMODOZONO, Maki
8. SOUCHERAY, Andrew J.
9. TABON, Leizl M.
10. YUDA, Michael J.

After discussion, it was moved by Vice-Chairperson Tsukamoto, seconded by Mr. Saniatan, and unanimously carried (Mr. Lau recused himself from the vote) to approve the following application for certification:

1. BELL, James F.

Ratification of
Individual CPA
Permits to Practice:

After discussion, it was moved by Mr. Oberg, seconded by Ms. Glaus, and unanimously carried to ratify approval of the following individual CPA Permits to Practice:

1. BOUCHER, Michael E.
2. DORFSMAN, Harvey I.
3. MEYER, Stacy A.
4. PRICE, William E.
5. SMOOT, Michael D.
6. WIGGINTON, Craig W.

After discussion, it was moved by Mr. Oberg, seconded by Ms. Glaus, and unanimously carried (Mr. Hirai recused himself from the vote) to ratify approval of the following individual CPA Permit to Practice:

1. MOCK, Jeffrey K.

After discussion, it was moved by Mr. Oberg, seconded by Ms. Glaus, and unanimously carried (Mr. Lau recused himself from the vote) to ratify approval of the following individual CPA Permit to Practice:

1. POWER, Roger J.

Ratification of
Issued Firm Permits
to Practice:

After discussion, it was moved by Mr. Saniatan, seconded by Mr. Regan, and unanimously carried to ratify approval of the following Firm Permits to Practice ("FPTP"):

1. G K TAKATA & ASSOCIATES CPA LLP
2. LARSONALLEN LLP
3. BRIGHTLINE CPAS AND ASSOCIATES INC
4. ERIC S UMETSU

Approval of
Minutes of the
December 9, 2011
Board Meeting:

After discussion, it was moved by Vice-Chairperson Tsukamoto, seconded by Mr. Lau, and unanimously carried to approve the minutes of the December 9, 2011 Board meeting, as circulated.

Chairperson's Report: A. Endorsement for NASBA Vice-Chairperson, 2012-2013

Chairperson Ueno stated that there are three (3) nominees for the position: Walter Davenport, Carlos Johnson, and Kathleen Smith. He commented that he has spoken and worked with Dr. Johnson at meetings of the National Association of State Boards of Accountancy ("NASBA") and strongly supported his nomination; Vice-Chairperson Tsukamoto also voiced his support for Dr. Johnson.

After discussion of Dr. Johnson's qualifications, credentials, and contribution to NASBA's work and to the profession, it was moved by Mr. Saniatan, seconded by Vice-Chairperson Tsukamoto, and unanimously carried to endorse Dr. Johnson for NASBA Vice-Chairperson, 2012-2013, and to transmit this endorsement to the NASBA Nominating Committee.

B. Investigative Committee on Two-Tier Licensing

Chairperson Ueno reiterated the appointment of Messrs. Regan and Ching to the Investigative Committee on Two-Tier Licensing. He also reiterated that the scope of the investigative committee would be to review Hawaii's existing two-tier licensing structure and determine whether it needs to be fixed.

Chairperson Ueno stated that Donny Shimamoto, CPA, and Gabe Lee, of American Savings Bank, have agreed to assist the investigative committee, and represent the profession and the public, respectively. Mr. Roberts commented that he will advise Mr. Regan of HAPA's representative, once that is determined.

Chairperson Ueno gave a brief summary concerning the proposed adoption by the

European Commission of a single audit market, that would mandate the rotation of audit firms after a maximum of six years, prohibit audit firms from providing non-audit services to their audit clients, and create a single market for statutory audit services.

Chairperson Ueno reported that Ken Bishop, NASBA's new President and CEO, has begun making structural and organizational changes within NASBA with a number of announcements on new directions and leadership positions.

Chairperson Ueno stated the Texas State Board of Public Accountancy issued sixteen (16) cease and desist orders against foreign audit firms performing unlicensed audits for Texas-based, SEC-registered companies. He asked the Board to be vigilant and to report any unlicensed activity for referral to the Regulated Industries Complaints Office for investigation.

Standing Committee Reports:

A. Legislation and Rules

1. Investigative Committee on Mobility

No Report.

2. Proposed Revision of Hawaii Administrative Rules section 16-71-61

Ms. Glaus stated that she is continuing to investigate the industry's interpretation and application of this section, and is seeking input from realtors and financial institutions. She will report her findings to the Board and recommend whether the Board should amend its administrative rules or not.

B. Uniform CPA Examination

No Report.

C. Ethics

No Report.

D. Peer Review

1. Investigative Committee on Peer Review

Investigative Committee member Tsukamoto reported that the conceptual framework for the proposed rules is moving forward. He reported that the committee recently received input from the AICPA and will be reviewing this for possible incorporation into a draft. In answer to a question from the floor, Mr. Tsukamoto responded that the draft rules are not ready yet and will hopefully be ready for circulation in the near future.

E. Continuing Professional Education

No Report.

F. Communications

Committee Chairperson Regan inquired whether the Board could conduct electronic surveys (such as one done by the Department of Taxation) on pertinent issues concerning the Board, and further commented that electronic telecommunication tools such as Facebook provide an additional and highly effective way to communicate. He commented that the County of Maui has launched a Facebook page and suggested that the Board explore this and other options to enhance the Board's communication with the public and with licensees. Chairperson Ueno and the Executive Office remarked that an informative discussion on this topic was a very well-attended session during the NASBA Annual Meeting in October with member boards offering assistance to other boards in setting up electronic communication protocols. Mr. Regan

inquired whether the Attorney General's Office or the Department had policies governing this issue; the Executive Officer stated that she will check on whether a departmental policy exists.

Next Board Meeting: Friday, February 3, 2012
King Kalakaua Conference Room
King Kalakaua Building, 1st Floor
335 Merchant Street
Honolulu, Hawaii 96813

Announcements: Mr. Hirai stated that he is serving his first year as a member of the NASBA Ethics and Professional Issues Committee, and not his second year as previously announced.

Adjournment: There being no further discussion, it was moved by Mr. Regan, seconded by Mr. Lau, and unanimously carried to adjourn the meeting at 9:46 a.m.

Taken and recorded by:

/s/ Lori Nishimura

Lori Nishimura, Secretary

Reviewed and approved by:

/s/ Laureen M. Kai

Laureen M. Kai, Executive Officer

LMK:ln
01/27/12

[X] Minutes approved as is.
[] Minutes approved with changes. See Minutes of _____