

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

MINUTES

Date: Wednesday, September 4, 2013

Time: 8:32 a.m.

Place: PVL Examination Room
King Kalakaua Building, 3rd Floor
335 Merchant Street, # 330
Honolulu, Hawaii 96813

Present: Nelson K.M. Lau, CPA, Chairperson
Gregg M. Taketa, CPA, Vice-Chairperson
Wendy M. Glaus, CPA, Member
Craig K. Hirai, CPA, Member
Darryl T. Komo, CPA, Member
Gabriel Lee, Member
Steven R. Oberg, CPA, Member
Keith A. Regan, Member
Carleton L. Williams, CPA, Member
Rodney J. Tam, Deputy Attorney General
Laureen M. Kai, Executive Officer
Lori Nishimura, Secretary

Guests: Rodney Harano, CPA, CW Associates, CPAs
Michael Tanaka, CPA, President, Hawaii Society of
Certified Public Accountants ("HSCPA")

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 8:32 a.m. by Chairperson Lau.

Additions/Revisions
to Agenda: None.

Welcome and
Introduction of New
Member: Darryl T.
Komo, CPA:

Chairperson Lau welcomed and introduced new Board member, Darryl T. Komo, CPA.

Executive
Session:

At 8:34 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 9:53 a.m., it was moved by Mr. Lee, seconded by Vice-Chairperson Taketa, and unanimously carried for the Board to move out of Executive Session and to immediately recess the meeting.

At 10:02 a.m., the Board reconvened its scheduled meeting.

Applications for
CPA Certification:

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

1. CHENG, Yujie G.
2. ENGLISH, Carmen N.
3. FLEMING, John D.
4. HONDA, Kazuko
5. HOPKINS, Brittany P.
6. HUNTER, Jeffrey S.
7. KAYA, Tiffany K.
8. KIM, Dong Hyun
9. RICHARDS, Michael E.

After discussion, it was moved by Mr. Regan, seconded by Mr. Oberg, and unanimously carried

(Chairperson Lau recused himself from the vote) to approve the following application for certification:

1. BIGELOW, Lindsey M.

After discussion, it was moved by Mr. Regan, seconded by Mr. Oberg, and unanimously carried (Mr. Lee recused himself from the vote) to approve the following application for certification:

1. FUNG, Jonathan C.H.

Ratification of
Individual CPA
Permits to Practice:

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

1. BRENNER, Dawn E.

Ratification of
Issued Firm
Permits to Practice:

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

1. XINJHONG YU CPA LLC
2. YVONNE A EGDAMIN CPA LLC
3. BERNTSON PORTER & COMPANY PLLC
4. CHRISTIANSON & ASSOCIATES PLLP

Restoration of
CPA License:

Discussion ensued on the restoration application of Jon F. Anderton. DAG Tam suggested the Board may want to request additional and/or updated court documents from Mr. Anderton that describe the underlying facts of his convictions. DAG Tam stated that he will try to obtain updated criminal abstracts from the Hawaii Criminal Justice Data Center and public court documents. Following discussion, it was moved by Mr. Hirai, seconded by Mr. Lee, and unanimously carried to defer decision making on the restoration application of:

1. ANDERTON, Jon F. (CPA-1591)

Approval of
Minutes of the
July 18, 2013 and
the August 2, 2013
Board Meetings:

After discussion, it was moved by Vice-Chairperson Taketa, seconded by Mr. Lee, and unanimously carried to approve the minutes of the July 18, 2013 and the minutes of the August 2, 2013 Board Meetings as circulated.

Chairperson's
Report:

A. NASBA Regional Directors' Focus Questions

Chairperson Lau stated that the following focus questions had been provided to Board members to review prior to the meeting. The Board discussed and reached consensus on the following responses:

1. NASBA continues to work to improve its vetting process so that when it takes a position on a controversial matter it represents our best effort to ascertain what State Boards support. What is the most effective way to communicate matters requiring vetting with your Board?

Response: Via e-mail to the Board, which will then be disseminated to the respective Board member(s).

2. NASBA has taken a position on firm mobility that, if Boards want to adopt it, they should do it in a consistent and uniform fashion. However, NASBA is not advocating that every Board adopt firm mobility, taking into consideration each Board's unique circumstances. Accordingly, the UAA Committee is working on proposed language for a uniform approach to firm mobility. When a UAA exposure draft is ready, is there any additional background information you would like to see that would assist your Board in its consideration of firm mobility?

Response: The Hawaii Board is continuing its efforts to legislate individual CPA mobility;

the Board believes that consideration of firm mobility is premature and unwarranted at this time.

3. What is happening in your jurisdiction that other Boards and NASBA should know about?

Response: The recently-enacted peer review requirements for Hawaii CPA firms require that CPA individuals and firms who engage in the peer review of Hawaii CPA firms be licensed in the State of Hawaii and possess valid individual permits to practice and firm permits to practice.

4. Are there any ways in which NASBA can assist your Board at the present time?

Response: Yes, continuing to assist and support the Hawaii Board with scholarships to attend NASBA meetings.

5. NASBA's Board of Directors would appreciate as much input on the above questions as possible. How were the responses shown above compiled? Please check all that apply.

Response: Input from all Board Members and the Executive Officer.

B. Random Audits of CPA Licensees and Permit to Practice Holders for the Biennium Ending December 31, 2013

Chairperson Lau stated that random audits of CPA licensees and Permit to Practice holders for the biennium ending December 31, 2013 will be conducted as have been for the previous renewing license cycles. Post-renewal audits of regulatory areas usually draw from populations ranging from five (5) percent to ten (10)

percent of eligible subjects. After discussion, the consensus of the Board was to randomly select ten (10) percent of all CPA licensees for the ethics CPE audit and ten (10) percent of all Permit to Practice holders for the permit CPE audit.

C. National Update

D. Industry Update

Chairperson Lau combined the National and Industry Update sections of his report.

Chairperson Lau reiterated that the 2013 NASBA Annual Meeting would be held on Maui on October 27 through 30, and the Board would be the host board for the conference. He informed the Board that scholarship requests for Board members and staff have been made and a response from NASBA is pending. Discussion ensued on Board members' availability, with the following members expressing their interest and availability to attend the conference:

Chairperson Lau, Vice-Chairperson Taketa, Messrs. Lee, Hirai, and Regan, and Ms. Glaus. Executive Officer Kai also stated her interest and availability for the conference.

Further discussion ensued on the Board's responsibilities (as the host board) for the opening welcome address of the conference. Executive Officer Kai stated that requests were made and are pending with the offices of Governor Neil Abercrombie, and Maui Mayor Alan Arakawa, to address conference attendees. Mr. Regan, who is the Managing Director of Maui County, volunteered to check on Mayor Arakawa's availability. Should the Mayor be unable to attend, Mr. Regan volunteered to address conference attendees as the Mayor's

representative. It was noted that in Mayor Arakawa's absence from the State, Mr. Regan is the Acting Mayor of Maui County.

Standing Committee Reports:

A. Legislation and Rules

Committee Chairperson Hirai stated that he and the Executive Officer are scheduled to meet next week with State Representative Karl Rhoads, Chairperson of the House Judiciary Committee, to discuss House Bill No. 716, Relating to the Disciplinary Authority of the Board of Public Accountancy, a carryover bill from the 2013 State Legislative Session.

Board Chairperson Lau announced that with the departure of Michael Ching from the Board, the position of Vice-Chairperson of the Legislation and Rules Committee would be filled by Board Vice-Chairperson Taketa.

B. Uniform CPA Examination

Committee Chairperson Regan had no report.

C. Ethics

Committee Chairperson Hirai had no report.

D. Peer Review

1. Selection of Peer Review Oversight Committee ("PROC") Member

Chairperson Lau reiterated that the Board would need to appoint a candidate for the PROC since one of their members, Mr. Williams, is now a member of this Board.

Committee Chairperson Oberg informed the Board that Dwayne Takeno, CPA, audit

services partner with PKF Pacific Hawaii LLP, had applied for the vacant PROC position. Executive Officer Kai reported that, as required, Mr. Takeno had provided his resume, completed the questionnaire, and has met the mandated requirements. It was moved by Committee Chairperson Oberg, seconded by Mr. Williams, and unanimously carried to appoint Mr. Takeno as a member of the PROC.

E. Continuing Professional Education

Committee Chairperson Glaus had no report.

F. Communications

Committee Chairperson Lee had no report.

Investigative
Committee Reports:

A. Investigative Committee on Peer Review

Investigative Committee on Peer Review ("ICPR") Chairperson Oberg stated that the ICPR will meet after the conclusion of this meeting to continue to work on drafting administrative rules to implement the peer review law.

Open Forum:

Mr. Williams inquired to Vice-Chairperson Taketa, who had volunteered to initiate the Board's exploration of the possibility of establishing neighbor island testing sites for the administration of the Uniform CPA Examination, on the progress of the proposed possibility of Neighbor-Island testing. Vice-Chairperson Taketa stated that Prometric is in contact with the University of Hawaii at Hilo on Hawaii Island to discuss testing arrangements and to address concerns, such as the assurance of adequate security measures at prospective testing sites.

Next Board Meeting: Tuesday, October 1, 2013
8:30 a.m.
King Kalakaua Conference Room
King Kalakaua Building
335 Merchant Street, 1st Floor
Honolulu, Hawaii 96813

Announcements: There were no announcements.

Adjournment: There being no further discussion, the meeting adjourned at 10:24 a.m.

Taken and recorded by:

/s/ Lori Nishimura

Lori Nishimura, Secretary

Reviewed and accepted by:

/s/ Laureen M. Kai

Laureen M. Kai, Executive Officer

LMK:ln

09/23/13

[X] Minutes approved as is.

[] Minutes approved with changes. See Minutes of _____.