



**HSCPA**

Hawaii Society of  
Certified Public Accountants

Before the House Committee on Consumer Protection and Commerce

Wednesday, February 3, 2010

2:00 pm

Conference Room 325

**In Support of HB 2731 and HB 2827**

Relating to Public Accountancy

Testimony of Wendell Lee, CPA  
President, Hawaii Society of CPAs

900 Fort Street

Suite 850

P.O. Box 1754

Honolulu, Hawaii 96806

Chair Herkes, Vice Chair Wakai, and Committee Members:

Thank you for the opportunity to testify.

The Board of Directors of the Hawaii Society of Certified Public Accountants (HSCPA) strongly supports mandatory peer review for CPA firms performing accounting and auditing engagements that do not audit publicly traded companies. Firms that audit publicly traded companies already undergo a much more rigorous peer review program through the Center for Audit Quality and PCAOB.

The public deserves to know that a CPA firm's quality control policies and procedures are in accordance with those professional standards promulgated by the accounting profession and that the firm is complying with those policies and procedures.

The peer review process includes rigorous checks and balances through the administration and oversight of the process. Peer review will add a critical layer of protection against professional deficiencies or misconduct. This, we owe to the public.

Respectfully submitted,

Wendell Lee, CPA  
President  
HSCPA Board of Directors

Tel: (808) 537-9475

Fax: (808) 537-3520

E-mail: [info@hscpa.org](mailto:info@hscpa.org)

Website: [www.hscpa.org](http://www.hscpa.org)

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Ronald A. Kawahara & Co.,  
 Certified Public Accountants, Inc.

840 Alua St., Suite 203  
 Wailuku, Maui, Hawaii 96793  
 (808) 244-5531 Fax (808) 244-5218  
 cpa@mauicpa.net

Testimony to: The House Committee on Consumer Protection & Commerce  
 February 3, 2010; 2:00 pm  
 Conference Room 325

Presented by: Russell Adkins (CPA Candidate) (Wailuku, Maui)

Subject: HB 2731 and HB 2827 – IN SUPPORT

**Support of CPA Peer Review**  
 Relating to Public Accountancy

**Dear Chair, Vice-Chair and Committee Members:**

As a member of the American Institute of Certified Public Accounts (AICPA), our firm has been subjected to a peer review every three years. Our peer review experience has always been a positive one. Knowing that we will be reviewed on a regular basis encourages us to keep up-to-date with our ever-changing profession.


The benefits of mandatory peer review program will: (1) improve the quality of the financial statements being prepared and issued by CPAs in the State of Hawaii; (2) enhance the creditability and reliability of financial statements prepared and issued by CPAs in the State of Hawaii; (3) most importantly, better protect the unsuspecting public and users of such financial statements, who incorrectly believe that all CPAs participate in a peer review or practice monitoring program to ensure that they comply with established professional standards; and (4) place CPAs who prepare and issue financial statements in the State of Hawaii on an equal playing field and enhance their competitiveness.

It is our understanding that more than 40 states already have mandatory peer reviews. We strongly believe that requiring mandatory peer reviews would benefit the public interest. Many consumers are not aware of whether their CPA is undergoing a peer review or not.

As a CPA candidate, I support mandatory peer review for the above reasons as a professional and consumer, as well as for the creditability of my future career.

I strongly support the mandatory peer review requirement for CPAs and I urge all committee members to support mandatory peer reviews.

Sincerely,

  
 2/1/2010  
 Russell Adkins (CPA Candidate-Maui)  
 Accountant



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*Roen K. Hirose, CPA, LLC*

Millyard Professional Suites 1728 Wili Pa Loop, Suite 200 Wailuku Hawaii 96793  
Phone: (808) 249-2727 Fax: (808) 249-2122

TESTIMONY BIFORE THE HOUSE COMMITTEE ON CONSUMER PROTECTION & COMMERCE

RE: House Bill 2731 and House Bill 2827

February 3, 2010 at 2:00pm  
State Capitol, Conference Room 325

Chair Herkes, Vice-Chair Wakai and Members of the Committee:

I have been a member of the American Institute of CPAs (AICPA) since I opened my accounting practice in 1988. The AICPA contributes much to our profession and to the protection of the public. Membership in the AICPA requires participation in the peer review process every three years. The peer review is one of the controls that keeps our profession operating at a high standard. However, membership in the AICPA and as result peer review is voluntary. It is hard to imagine CPAs who provide attest services on financial statements for their clients not being members of the AICPA.

If CPA licensing required a peer review program it would certainly increase the quality in the work we provide to the public.

I am in support of mandatory peer reviews.

Respectfully,



Roen K. Hirose, CPA

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House Committee on Consumer Protection & Commerce  
Wednesday, February 3, 2010  
2:00 p.m.  
Conference Room 325

Levin & Hu, LLP  
Certified Public Accountants  
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Testimony of Mimi S.J. Hu, CPA, MAcc

In Support of HB 2731 and HB 2827  
Relating to Public Accountancy

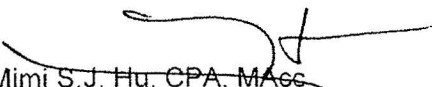
Dear Chair Herkes, Vice-Chair Wakai and Committee Members:

I strongly support the mandatory peer review requirement for CPAs. I support mandatory peer review in order to provide a level of assurance that financial statements prepared and issued by CPAs in the State of Hawaii are uniformly prepared in accordance with established professional standards. Additionally, I support mandatory peer review, which has been mandatory since 1988 for a majority of practicing CPAs who prepare and issue financial statements in the State of Hawaii and are members of the American Institute of Certified Public Accountants ("AICPA"), as the current national debate is not whether peer review should be mandatory but should the peer review findings be made transparent and disclosed to better inform and protect the public's interest similar to the review results of the Public Company Oversight Accounting Board ("PCAOB") created under the Sarbanes-Oxley Act for publicly-held companies.

In turn, the benefits of mandatory peer review program will: (1) improve the quality of the financial statements being prepared and issued by CPAs in the State of Hawaii; (2) enhance the creditability and reliability of financial statements prepared and issued by CPAs in the State of Hawaii; (3) most importantly, better protect us, the unsuspecting public and users of such financial statements, who incorrectly believe that all CPAs participate in a peer review or practice monitoring program to ensure that they comply with established professional standards; and (4) place CPAs who prepare and issue financials statements in the State of Hawaii on an equal playing field and enhance their competitiveness.

For the above reasons, I urge you to support mandatory peer review for CPAs as it will provide the public with an improved level of assurance that CPA-prepared financial statements are prepared pursuant to uniform professional standards and fulfill the public's expectations.

Respectfully Submitted,

  
Mimi S.J. Hu, CPA, MAcc  
Partner/Principal



**KEN HANKERSON, CPA**

P.O. Box 628, Wailuku, HI 96793 • 1721 Wili Pa Loop, Suite 201, Wailuku, HI 96793

Wednesday, February 3, 2010  
2:00 p.m. – Conference Room 325

January 28, 2010

**IN SUPPORT OF HB 2731 and HB 2827**

The Honorable Robert Herkes, Chair  
House Committee on Consumer Protection & Commerce

**Support of CPA Peer Review**  
Relating to Public Accountancy

Dear Representative Herkes:

It has come to my attention that some members of your committee are under the impression that many (if not all) Maui-based CPA's oppose mandatory peer reviews. No one from Maui has ever asked for my input on this issue. I have never stated that I am opposed to peer reviews and any statements to the contrary are completely fictional.

I strongly support the mandatory peer review requirement for CPAs.

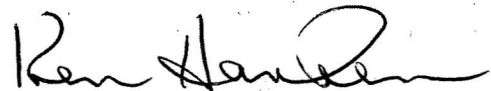
As a member of the American Institute of CPA's (since 1970), I have been subjected to peer reviews every three years since 1988. My peer review experience has always been a positive one. The knowledge that I will be reviewed on a regular basis encourages me to keep up-to-date with our ever-changing profession.

Beginning with the Enron scandal and ending with the near collapse of our financial system in 2008, the once impeccable image of CPA's has been severely tarnished. Investors and the public at large have become wary of our profession. I believe that mandatory peer reviews will help us regain some of the trust we have lost.

It's my understanding that more than 40 states already have mandatory peer reviews. Isn't it time that Hawaii moves into the 21<sup>st</sup> century?

I urge all committee members to support mandatory peer reviews.

Sincerely,



Ken Hankerson, C.P.A.

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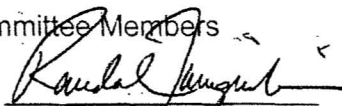
*Russell Yamane & Associates CPAs, Inc.*

2158 Main Street, Suite 202 • Wailuku, HI 96793  
Telephone (808) 244-5527 • Facsimile (808) 244-9397

House Committee on Consumer Protection & Commerce  
Wednesday, February 3, 2010  
2:00 p.m.  
Conference Room 325

Testimony to: Chair Herkes, Vice Chair Wakai and Committee Members

Presented by: RANDAL TANIGUCHI/PARTNER  
Name/Title

  
Signature

Subject: TESTIMONY IN SUPPORT OF HB 2731 and HB 2827

**Support of CPA Peer Review**  
Relating to Public Accountancy

Dear Chair, Vice-Chair and Committee Members:

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For the above reasons, I urge you to support mandatory peer review for CPAs as it will provide the public with an improved level of assurance that CPA-prepared financial statements are prepared pursuant to uniform professional standards and fulfill the public's expectations.

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 cpa@mauicpa.net

February 3, 2010  
 2:00 p.m.  
 Conference Room 325

Testimony to: The House Committee on Consumer Protection & Commerce  
 Presented by: Ronald A Kawahara CPA (Wailuku, Maui)  
 Subject: HB 2731 and HB 2827 - IN SUPPORT

**Support of CPA Peer Review  
 Relating to Public Accountancy**

**Dear Chair, Vice-Chair and Committee Members:**

As a member of the American Institute of Certified Public Accounts (AICPA), our firm has been subjected to a peer review every three years. Our peer review experience has always been a positive one. Knowing that we will be reviewed on a regular basis encourages us to keep up-to-date with our ever-changing profession.

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It is our understanding that more than 40 states already have mandatory peer reviews. We strongly believe that requiring mandatory peer reviews would benefit the public interest. Many consumers are not aware of whether their CPA is undergoing a peer review or not.

It has come to our attention that some members of your committee are under the impression that many (if not all) Maui-based CPAs oppose mandatory peer reviews. We have never been approached to comment on this issue. We have never stated that we are opposed to mandatory peer reviews and any statements to the contrary are completely fictional.

We strongly support the mandatory peer review requirement for CPAs and we urge all committee members to support mandatory peer reviews.

Sincerely,

Ronald A. Kawahara, CPA, CVA  
 President



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 Certified Public Accountants, Inc.

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 cpa@mauicpa.net

Testimony to: The House Committee on Consumer Protection & Commerce  
 February 3, 2010; 2:00 pm  
 Conference Room 325

Presented by: Robert S. Kawahara, CPA (Wailuku, Maui)

Subject: HB 2731 and HB 2827 – IN SUPPORT

**Support of CPA Peer Review**  
 Relating to Public Accountancy

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Sincerely,

Robert S. Kawahara, CPA  
 Vice President



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Bookkeeping and Payroll Services  
Financial Statements  
Small Business Consulting  
Tax Preparation and Planning

**Patrick L. Ing**

C P A

House Committee on Consumer Protection & Commerce  
Wednesday, February 3, 2010  
2:00 p.m.  
Conference Room 325

Testimony of Patrick Ing, CPA

**In Support of HB 2731 and HB 2827**  
Relating to Public Accountancy

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For the above reasons, I urge you to support mandatory peer review for CPAs as it will provide the public with an improved level of assurance that CPA-prepared financial statements are prepared pursuant to uniform professional standards and fulfill the public's expectations.

Sincerely,



Patrick L. Ing, CPA  
Patrick L. Ing, CPA, Inc. 1721 Wili Pa Loop, Suite 103, Wailuku, Hawaii 96793  
phone: (808) 244-0667 fax: (808) 242-6733

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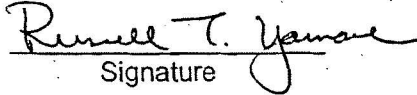
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House Committee on Consumer Protection & Commerce  
Wednesday, February 3, 2010  
2:00 p.m.  
Conference Room 325

Testimony to: Chair Herkes, Vice Chair Wakai and Committee Members

Presented by: Russell Yamane, President  
Name/Title

  
Signature

Subject: TESTIMONY IN SUPPORT OF HB 2731 and HB 2827

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House Committee on Consumer Protection & Commerce  
Wednesday, February 3, 2010  
2:00 p.m.  
Conference Room 325

Testimony of Kimberly I. Vanderlaan, CPA

**In Support of HB 2731 and HB 2827**  
Relating to Public Accountancy

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Respectfully submitted,

Kimberly I. Vanderlaan  
Partner



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Ronald A. Kawahara & Co.,  
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 cpa@mauicpa.net

Testimony to: The House Committee on Consumer Protection & Commerce  
 February 3, 2010; 2:00 pm  
 Conference Room 325

Presented by: Jennifer Meno, CPA (Wailuku, Maui)

Subject: HB 2731 and HB 2827 – IN SUPPORT

**Support of CPA Peer Review  
 Relating to Public Accountancy**

**Dear Chair, Vice-Chair and Committee Members:**

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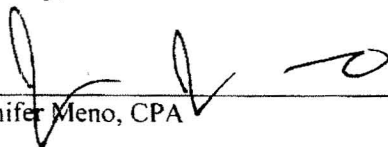
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It has come to our attention that some members of your committee are under the impression that many (if not all) of us Maui-based CPAs oppose mandatory peer reviews. We have never been approached to comment on this issue. We have never stated that we are opposed to mandatory peer reviews and any statements to the contrary are completely fictional.

We strongly support the mandatory peer review requirement for CPAs and we urge all committee members to support mandatory peer reviews.

Sincerely,

  
 \_\_\_\_\_  
 Jennifer Meno, CPA



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 Certified Public Accountants, Inc.

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 cpa@mauicpa.net

Testimony to: The House Committee on Consumer Protection & Commerce  
 February 3, 2010; 2:00 pm  
 Conference Room 325

Presented by: Laureen Myers, CPA (Wailuku, Maui)

Subject: HB 2731 and HB 2827 – IN SUPPORT

**Support of CPA Peer Review  
 Relating to Public Accountancy**

**Dear Chair, Vice-Chair and Committee Members:**

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Sincerely,

Laureen Myers, CPA



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*Michele A. Kato & Co., LLC*

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*Millyard Professional Suites - 1728 Wili Pa Loop, Suite 200 Wailuku, Hawaii 96793  
Phone (808) 249-2727 Fax (808) 249-2122*

**TESTIMONY BEFORE THE HOUSE COMMITTEE  
ON CONSUMER PROTECTION & COMMERCE**

**Re: House Bill 2731 and House Bill 2827**

**February 3, 2010 at 2:00 pm  
State Capitol, Conference Room 325**

**Support of CPA Peer Review  
Relating to Public Accountancy**

**Dear Chair, Vice-Chair and Committee Members:**

I strongly support the mandatory peer review requirement for CPAs. I support mandatory peer review in order to provide a level of assurance that financial statements prepared and issued by CPAs in the State of Hawaii are uniformly prepared in accordance with established professional standards. Additionally, I support mandatory peer review, which has been mandatory since 1988 for a majority of practicing CPAs who prepare and issue financial statements in the State of Hawaii and are members of the American Institute of Certified Public Accountants ("AICPA"), as the current national debate is not whether peer review should be mandatory but should the peer review findings be made transparent and disclosed to better inform and protect the public's interest similar to the review results of the Public Company Oversight Accounting Board ("PCAOB") created under the Sarbanes-Oxley Act for publicly-held companies.

In turn, the benefits of mandatory peer review program will: (1) improve the quality of the financial statements being prepared and issued by CPAs in the State of Hawaii; (2) enhance the creditability and reliability of financial statements prepared and issued by CPAs in the State of Hawaii; (3) most importantly, better protect us, the unsuspecting public and users of such financial statements, who incorrectly believe that all CPAs participate in a peer review or practice monitoring program to ensure that they comply with established professional standards; and (4) place CPAs who prepare and issue financials statements in the State of Hawaii on an equal playing field and enhance their competitiveness.

For the above reasons, I urge you to support mandatory peer review for CPAs as it will provide the public with an improved level of assurance that CPA-prepared financial statements are prepared pursuant to uniform professional standards and fulfill the public's expectations.

Sincerely,

Michele A. Kato, CPA

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