

HB2169 HD2

Measure Title: RELATING TO PUBLIC ACCOUNTANCY.
 Report Title: Public Accountancy; Peer Review; Attest
 Description: Establishes a peer review process for public accounting firms that engage in attest work. Effective July 1, 2012. (HB2169 HD2)
 Companion:
 Package: None
 Current Referral: CPN
 Introducer(s): CHOY

<u>Sort by Date</u>		Status Text
1/20/2012	H	Pending introduction.
1/23/2012	H	Introduced and Pass First Reading.
1/23/2012	H	Referred to ERB, CPC, FIN, referral sheet 6
1/27/2012	H	Bill scheduled to be heard by ERB on Tuesday, 01-31-12 8:30AM in House conference room 312.
1/31/2012	H	The committees on ERB recommend that the measure be PASSED, WITH AMENDMENTS. The votes were as follows: 10 Ayes: Representative(s) McKelvey, Choy, Awana, Brower, Evans, Hashem, Nishimoto, Tokioka, Tsuji; Ayes with reservations: Representative(s) Marumoto; Noes: none; and 1 Excused: Representative(s) Pine.
2/6/2012	H	Reported from ERB (Stand. Com. Rep. No. 97-12) as amended in HD 1, recommending passage on Second Reading and referral to CPC.
2/6/2012	H	Passed Second Reading as amended in HD 1 and referred to the committee(s) on CPC with Representative(s) Thielen voting aye with reservations; none voting no (0) and Representative(s) McKelvey, Takai excused (2).
2/9/2012	H	Bill scheduled to be heard by CPC on Monday, 02-13-12 2:15PM in House conference room 325.
2/13/2012	H	The committee(s) on CPC recommend(s) that the measure be deferred until 02-14-12.

2/13/2012	H	Bill scheduled for decision making on Tuesday, 02-14-12 2:01PM in conference room 325.
2/14/2012	H	The committees on CPC recommend that the measure be PASSED, UNAMENDED. The votes were as follows: 10 Ayes: Representative(s) Herkes, Yamane, Brower, Coffman, Ito, Keith-Agaran, Luke, McKelvey, Tsuji; Ayes with reservations: Representative(s) Thielen; Noes: none; and 5 Excused: Representative(s) Cabanilla, Carroll, Souki, Ching, Marumoto.
2/17/2012	H	Reported from CPC (Stand. Com. Rep. No. 557-12), recommending referral to FIN.
2/17/2012	H	Report adopted; referred to the committee(s) on FIN with none voting aye with reservations; none voting no (0) and Herkes, M. Lee excused (2).
2/26/2012	H	Proposed draft of Bill scheduled to be heard by FIN on Wednesday, 02-29-12 12:30PM in House conference room 308. Copy of proposed draft available at www.capitol.hawaii.gov .
2/27/2012	H	Broadcast of hearing/briefing available. See: www.capitoltv.org
3/1/2012	H	The committees on FIN recommend that the measure be PASSED, WITH AMENDMENTS. The votes were as follows: 17 Ayes: Representative(s) Oshiro, M. Lee, Choy, Cullen, Giugni, Har, Hashem, Ichiyama, Jordan, Kawakami, C. Lee, Morikawa, Tokioka, Yamashita, Riviere, Ward; Ayes with reservations: Representative(s) Marumoto; Noes: none; and Excused: none.
3/2/2012	H	Reported from FIN (Stand. Com. Rep. No. 921-12) as amended in HD 2, recommending passage on Third Reading.
3/2/2012	H	Forty-eight (48) hours notice Tuesday, 03-06-12.
3/6/2012	H	Passed Third Reading as amended in HD 2 with Representative(s) Marumoto voting aye with reservations; none voting no (0) and none excused (0). Transmitted to Senate.
3/8/2012	S	Received from House (Hse. Com. No. 140).
3/8/2012	S	Passed First Reading.
3/8/2012	S	Referred to CPN.
3/14/2012	S	The committee(s) on CPN has scheduled a public hearing on 03-28-12 9:30AM in conference room 229.



HAWAII ASSOCIATION OF PUBLIC ACCOUNTANTS

Organized August 7, 1943
P.O. BOX 61043
HONOLULU, HAWAII 96839



Before the Committee on Commerce and Consumer Protection

Wednesday, March 28, 2012 at 9:30 a.m.

Conference Room 229

Re: Support for HB 2169, HD2

Relating to Public Accountancy

Chair Baker, Vice Chair Taniguchi, and committee members:

I am a certified public accountant (CPA) and State President of the Hawaii Association of Public Accountants (HAPA). HAPA represents local public accounting practitioners throughout the State of Hawaii.

HAPA strongly supports HB 2169, HD2. This bill is the result of a collaborative effort of two Hawaii trade associations: HAPA and the Hawaii Society of Certified Public Accountants (HSCPA). It reflects a newfound, albeit fragile, spirit of cooperation between these organizations. HAPA believes that passage of this bill will help foster the trust needed for future HAPA-HSCPA joint efforts on behalf of Hawaii's consumers and public accounting practitioners.

HAPA thanks the Senate Committee on Commerce and Consumer Protection for taking the lead with moving implementation of mandatory CPA firm peer review onto the front burner with SB 2421. Your legislative initiative helped prompt the dialogue and cooperation between HAPA and the HSCPA.

As a practical matter to facilitate negotiations, HAPA and the HSCPA worked off the House companion bill which initially mirrored SB 2421. As a result, HB 2169, HD2 now contains many refinements not reflected in SB 2421. The fact that HB 2169 was used as a negotiating platform, however, should in no way detract from the contribution of SB 2421 and of the Senate Committee on Commerce and Consumer Protection in addressing how to best implement mandatory CPA firm peer review in Hawaii.

HAPA has compared the proposed administrative rules just drafted by the Board of Public Accountancy against HB 2169, HD2, and considers HB 2169, HD2 vastly superior in the quality and detail of the implementation guidance provided. Accordingly, we urge that HB 2169, HD2 be passed without amendment.

Thank you for this opportunity to testify.

Very truly yours,

John W. Roberts, M.B.A., CPA
HAPA State President

Niwao & Roberts, CPAs, a Professional Corporation
2145 Wells Street, Suite 402
Wailuku, Hawaii 96793
(808) 242-4600

Before the Senate Committee on Commerce and Consumer Protection

Wednesday, March 28, 2012 at 9:30 a.m.

Conference Room 229

Re: Support for HB2169, HD2

Chair Rosalyn H. Baker, Vice Chair Brian T. Taniguchi, and Committee Members:

I am a licensed CPA and attorney in the State of Hawaii, with over 33 years of public accounting experience. I am president of Niwao & Roberts, CPAs, a P.C., a CPA firm on Maui. Our firm has voluntarily obtained on-site peer reviews from 1990, so I am familiar with the peer review process. I am also a state director of the Hawaii Association of Public Accountants (HAPA) and a legislative committee co-chairperson of HAPA.

Our firm supports HB2169, HD2 because it will help protect Hawaii's consumers as well as apply mandatory CPA firm peer review requirements fairly and equitably to all firms that practice before the public in Hawaii, regardless of the size of the firm or where it is based.

HB2169, HD2 implements the mandatory peer review law that was passed two years ago. The 2010 peer review law was never implemented because the Board of Public Accountancy (Board) failed to pass administrative rules for the peer review law. The peer review law was to be implemented one year after the Board passed its rules. Instead, the Board spent much of its time in 2011 passing a rule that allows a CPA licensee without continuing professional education (except for ethics) to certify the professional experience of a new CPA candidate.

HB2169, HD2 provides that all firms, including the Hawaii offices and Hawaii engagements of foreign or multistate firms, shall undergo peer review every three years on the firm's Hawaii attest work. By subjecting the Hawaii work of out-of-state CPA firms to be peer reviewed, the Hawaii consumer is further protected and the peer review process would be fairly and equitably applied to all CPAs that perform attest work in Hawaii.

Our firm urges you to support HB2169, HD2. We would be available to answer questions and provide further input. Thank you for this opportunity to testify.

Respectfully submitted,

Marilyn M. Niwao

Marilyn M. Niwao, J.D., CPA
President, Niwao & Roberts, CPAs, a Professional Corporation

Gregg M. Taketa
101 Aupuni Street, Suite 139
Hilo, Hawaii 96720

**BEFORE THE SENATE COMMITTEE ON COMMERCE
AND CONSUMER PROTECTION**

**Wednesday, March 28, 2012 at 9:30 a.m.
State Capitol, Conference Room 229**

In Support of HB2169, H.D. 2

Chair Baker, Vice Chair Taniguchi, and committee members:

I respectfully ask that you vote YES on HB 2169, H.D. 2. I am a CPA and partner in the firm of Taketa, Iwata, Hara & Associates, LLC in Hilo. I am also the past president of the Hawaii Association of Public Accountants and a member of the American Institute of Certified Public Accountants (AICPA) and the Hawaii Society of Certified Public Accountants (HSCPA).

I support HB 2169, H.D. 2 because it establishes a peer review process for public accounting firms that perform attest work in Hawaii.

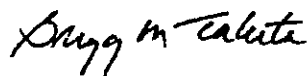
Act 66 was adopted during the 2010 Legislative Session; requiring peer reviews as a condition of certified public accountancy permits to practice for firms that perform attest work in Hawaii. Since that time, the Hawaii State Board of Public Accountancy has failed to adopt rules to establish the peer review process.

The peer review program's ultimate objective is the protection of the public such as shareholders, creditors, insurance companies, banks and government agencies, who rely on the attest work performed by certified public accounting firms.

HB 2169, H.D. 2 ensures that all public accounting firms that perform attest work in Hawaii will be treated equally and fairly under Chapter 466 of the Hawaii Revised Statutes.

I urge the committee to support HB 2169, H.D. 2. Thank you for this opportunity to testify.

Respectfully submitted,



Gregg M. Taketa, CPA

Testimony for CPN 3/28/2012 9:30:00 AM HB2169

Conference room: 229
Testifier position: Support
Testifier will be present: No
Submitted by: Wendell Lee
Organization: Hawaii Society of CPAs
E-mail: info@hscpa.org
Submitted on: 3/27/2012

Comments:
Before the Senate Committee
On Commerce and Consumer Protection

Wednesday, March 28, 2012 at 9:30 a.m.
State Capitol, Conference Room 229

In Support of House Bill 2169 HD2

Chair Baker, Vice-Chair Taniguchi, and Members of the Committee:

My name is Wendell Lee and I am a past president of the Hawaii Society of Certified Public Accountants (HSCPA) and current member of its Board of Directors. On behalf of the HSCPA Board, we support House Bill 2169 HD2.

The HSCPA thanks you for your work on Senate Bill 2421. However, we had several opportunities to refine the technical language as it worked through three House hearings and believe this bill, HB 2169 HD2, is a product that is implementable. In addition, the House provided clarifications in its Standing Committee Report, HSCR 1077-12, which we hope the Senate will incorporate in its Committee Report as well.

Lastly, just having the proponents working together is something to behold after more than a decade of dissention. We thank you for your patience and consideration in the passage of HB 2169 HD2 with an inclusion of the clarifications noted in the House SCR 1077-12.

Respectfully submitted,

Wendell Lee, CPA
On behalf of the HSCPA Board of Directors

Testimony for CPN 3/28/2012 9:30:00 AM HB2169

Conference room: 229

Testifier position: Support

Testifier will be present: No

Submitted by: Joseph L. Wikoff

Organization: Wikoff Combs & Co., LLC

E-mail: joe@wikoffcombscpa.com

Submitted on: 3/24/2012

Comments:

Testimony for CPN 3/28/2012 9:30:00 AM HB2169

Conference room: 229

Testifier position: Support

Testifier will be present: No

Submitted by: Melvin N. Kaneshiro

Organization: H A P A

E-mail: melkcpa@hawaii.rr.com

Submitted on: 3/27/2012

Comments:

Testimony for CPN 3/28/2012 9:30:00 AM HB2169

Conference room: 229

Testifier position: Support

Testifier will be present: No

Submitted by: Walter T.Y. Lau

Organization: HAPA

E-mail: wtylau@aol.com

Submitted on: 3/26/2012

Comments:

Testimony for CPN 3/28/2012 9:30:00 AM HB2169

Conference room: 229
Testifier position: Support
Testifier will be present: No
Submitted by: Brian Iwata
Organization: Individual
E-mail: brian@tihcpa.com
Submitted on: 3/26/2012

Comments:
Brian M. Iwata, CPA
101 Aupuni St., #139
Hilo, HI 96720

March 26, 2012

The Honorable Senator Rosalyn H. Baker, Chair The Honorable Senator Brian T. Taniguchi, Vice Chair Committee on Commerce and Consumer Protection Hawaii State Capitol
415 South Beretania Street
Honolulu, HI 96813

Re: Support for HB 2169 HD2
Relating to Public Accountancy

Chair Senator Baker and Vice-chair Senator Taniguchi and committee members:

I support HB 2169 HB2 because it will help implement via the statues Act 66 which was passed into law in 2010. This bill will clarify the law that will apply equally to all CPAs operating in Hawaii and will go further in protecting the consumers in Hawaii.

Respectfully submitted,

Brian M. Iwata, CPA

Testimony for CPN 3/28/2012 9:30:00 AM HB2169

Conference room: 229

Testifier position: Support

Testifier will be present: No

Submitted by: Leslie S Kaya, CPA

Organization: Individual

E-mail: lskayacpa@yahoo.com

Submitted on: 3/26/2012

Comments:

The provisions of this bill are long overdue.

Testimony for CPN 3/28/2012 9:30:00 AM HB2169

Conference room: 229

Testifier position: Support

Testifier will be present: No

Submitted by: Page R. Dwight

Organization: Individual

E-mail: [dwightc001@hawaii.rr.com](mailto:dwrightc001@hawaii.rr.com)

Submitted on: 3/26/2012

Comments:

Testimony for CPN 3/28/2012 9:30:00 AM HB2169

Conference room: 229

Testifier position: Support

Testifier will be present: No

Submitted by: Emma Sue Grubler

Organization: Individual

E-mail: runaroundsue@hawaii.rr.com

Submitted on: 3/26/2012

Comments:

Testimony for CPN 3/28/2012 9:30:00 AM HB2169

Conference room: 229

Testifier position: Support

Testifier will be present: No

Submitted by: Robert H. Fukuhara Jr.

Organization: Individual

E-mail: bob@ffcocpa.com

Submitted on: 3/26/2012

Comments:

Testimony for CPN 3/28/2012 9:30:00 AM HB2169

Conference room: 229

Testifier position: Support

Testifier will be present: No

Submitted by: Janet Hara

Organization: Individual

E-mail: janet@tihcpa.com

Submitted on: 3/26/2012

Comments:

Testimony for CPN 3/28/2012 9:30:00 AM HB2169

Conference room: 229

Testifier position: Support

Testifier will be present: No

Submitted by: NATHAN

Organization: Individual

E-mail: nathan@tihcpa.com

Submitted on: 3/26/2012

Comments: