

Testimony of the Board of Public Accountancy

**Before the
House Committee on Intrastate Commerce
Tuesday, February 4, 2020
9:30 a.m.
State Capitol, Conference Room 430**

**On the following measure:
H.B. 2325, RELATING TO THE PEER REVIEW OVERSIGHT COMMITTEE**

Chair Ohno and Members of the Committee:

My name is Relley Araceley, and I am the Executive Officer of the Board of Public Accountancy (Board). The Board supports this administration bill.

The purpose of this bill is to clarify the role of the Board in selecting members to serve on the Board's Peer Review Oversight Committee (PROC), which monitors sponsoring organizations to ensure that peer reviews are conducted in accordance with agency standards.

This bill removes the requirement that a prospective PROC member's firm has a rating of pass or an unmodified opinion from its last peer review and replaces it with broader discretion on the part of the Board in selecting members for the PROC. The accountancy profession's standards of review change frequently, and it is anticipated that PROC duties will increase substantially because of recent changes. It is necessary for the Board to have flexibility and discretion in selecting members who have the ability and aptitude to serve on the PROC. Further, this bill will help the Board appropriately and timely appoint PROC members.

Thank you for the opportunity to testify, and we respectfully ask the Committee to pass this administration bill.



HAWAII ASSOCIATION OF PUBLIC ACCOUNTANTS

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



Committee on Intrastate Commerce

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Re: Support for HB 2325 Relating to the Peer Review Oversight Committee

Chair Ohno, Vice Chair Kobayashi and Committee Members:

The Hawaii Association of Public Accountants (HAPA) is the only statewide public accounting organization with chapters on Oahu, Maui, Big Island, and Kauai. It has over 600 members, consisting primarily of small to mid-sized CPA firm owners and employees who are in the active practice of public accountancy. The Hawaii consumer relies heavily upon our members to provide financial, tax, and consulting services for their businesses and personal affairs.

HAPA supports HB 2325 which amends the language as to who sits on the peer review oversight committee of the Board of Public Accountancy as described in HRS § 466-42. If this bill is not passed, the mandatory peer review program for CPAs in Hawaii may no longer be implementable on July 1, 2020.

Thank you for considering the above. If you have any questions, please do not hesitate to contact us.

Respectfully submitted,

Brian M. Iwata, CPA

President

Email: brian@tihcpa.com

Marilyn M. Niwao, M.S.P.H., J.D., CPA, CGMA

Legislative Committee Chair and State Director

Email: niwao@mauicpa.com