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SEPTEMBER 2014

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Hawaii Society of CPAs

900 Fort Street Mall, Suite 850

P.O. Box 1754

Honolulu, Hawaii 96806

Tel: (808) 537-9475

Fax: (808) 537-3520

E-mail: info@hscpa.org

Website: www.hscpa.org

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President's Message

By Gordon M. Tom



Aloha Members!

September is here, which means students are back in school, our tax professionals are working hard to meet the September 15th and October 15th deadlines, and the 2014 primary election has passed. I hope you all voted in the primary election and exercised your right as a citizen. The deadline to register for the Tuesday, November 4th general election is Monday, October 6th, so get your voter registration and permanent absentee ballot form in the mail now. This year I voted via permanent absentee ballot and the process could not have been easier. Maybe in a few years, we'll have the technology and infrastructure to allow online voting and

all-electronic in-person voting to provide instant tabulation of election results. No more long lines at the polls, manual re-counting or watching television election coverage until midnight to see if you candidate won.

Technology and innovation are not only affecting the election process, but the entire world around us. One area of incredible change in recent years is education and learning. I can't imagine that my kids will probably have tablets instead of textbooks and interactive learning classrooms instead of teacher lecture and homework assignments! Innovation in learning has led to thriving organizations like the Khan Academy, whose purpose is to provide free education and resources to students and teachers via YouTube. The Khan Academy provides a curriculum covering traditional K-12 education topics and other advanced areas, including test preparation courses for the SAT, MCAT, GMAT and registered nurse exam, all for free and available online 24/7 to anyone. The AICPA has partnered with the Khan Academy to provide courses on accounting and financial statements. Check it out at <http://goo.gl/TXKEPY>. Maybe they will develop a CPA exam prep course next!

Recognizing the rapid change in education and learning, the AICPA also convened a task force in 2013 to explore the future of professional development for CPAs. The task force recently published their results after nearly a year of work and identified a number of areas for evolution in how our profession provides learning and development. One of the more interesting ideas from task force's report relates to measurement of competencies and the shift to interactive learning opportunities as a way to earn CPE instead of seminar lectures. Some states have already taken action to evolve CPA professional development. In May, the Maryland State Board of Accountancy approved a change to allow issuance of CPE credits in

10-minute increments. If it passes final regulatory approval, it will create the opportunity for micro-learning opportunities for CPAs in Maryland. I encourage you to read the special report in the August issue of the Journal of Accountancy and check out the AICPA's site futureoflearning.aicpa.org for more information. It will be interesting to see how our profession and the regulatory environment at the state level adapt to these new methods of learning over the next several years.

Here in Hawaii, we have many traditional CPE learning opportunities for our members in the summer and fall training season. For our members serving in the public sector and nonprofits, there is an all-day government and nonprofit A&A update seminar on September 24th and a nonprofit industry update October 22nd. Check the HSCPA website for more information and to explore our online professional development catalog.

Overall, Hawaii dodged another bullet in August with Hurricanes Iselle and Julio. I hope our Big Island members or those with family and friends there all made it safely through Iselle. I remember studying meteorology at UH, where the professor explained how the various meteorological conditions unique to our special location in the middle of the Pacific help protect us from the impact of severe storms. After watching the aftermath of Iselle on the Big Island, I'm very grateful we were largely spared here on Oahu and the other islands. However, it makes me worry what would happen to us if even a minor storm were to hit Oahu directly. Seeing the effects of Typhoon Rammasun on the Philippines and other storms in the far east here make me appreciate how lucky we are here in Hawaii. The hurricane season in Hawaii ends November 30, so stay safe and keep those supplies and kits ready.

What matters most?



When it comes to your information management program, what matters most to you? We think you will agree, it's access: secure and compliant, yet fast and convenient for you. Access serves premier accounting firms throughout Hawaii.

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Word, Outlook, and PowerPoint: Getting Better Results in Less Time

Thomas G. Stephens, Jr., CPA, CITP, CGMA



Introduction

Nearly every business professional uses Microsoft Office Word, Outlook, and PowerPoint to varying degrees. Yet,

most are self-taught in these applications and therefore likely remain unaware of key productivity-enhancing tools in each of these applications. In this article, you will learn about seven terrific features found in these three applications and using them to get better results in less time.

Universal Drag-and-Drop in Outlook

Outlook supports drag-and-drop universally throughout the application. Thus, if you receive an email message and need to create an appointment on your calendar containing the details of the message, simply drag the message from the message list, and drop it onto your calendar in Outlook. Similarly, if you need to add an attachment to a message, you can drag it from your desktop into the message; conversely, you can drag attachments from a message to your desktop. Universal drag-and-drop eliminates unnecessary typing and other keystrokes otherwise required to perform many functions in Outlook.

Assign Outlook Tasks to Others

Are you trying to manage multiple projects and tasks that involve other team members? If so, try assigning these tasks to others in Outlook. To do so, first add a task to Outlook. Then right-click on the task and choose **Assign Task** from the pop-up menu. Enter any desired details and click **Send** to assign the task to another team member. Once the team

member accepts the task, he will be able to send updates and notes to you by updating the task in his instance of Outlook, helping you to minimize the amount of time you spend managing tasks.

Save Time with Outlook's Quick Steps Feature

Do you often perform multiple actions – such as adding a category to a message and moving that message to another



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folder – on items in Outlook? If so, create a **Quick Step** to automate these tasks for you. From the **Home** tab of the Ribbon in Outlook, you can customize the “canned” Quick Steps provided in Outlook and create new ones to meet your specific needs. Once you do so, select an item and then click the Quick Step you wish to apply and Outlook will perform all of the actions designated in the Quick Step on the selected item.

Use Styles to Format your Word Documents

Word’s **Styles** feature is perhaps the application’s most powerful tool. Styles are predefined formats that you can apply to your documents, reducing the amount of time you spend formatting a document and ensuring consistency in formatting. When you use Styles, you receive the added benefits of creating automatic tables of contents, generating document maps, and, as discussed below, creating PowerPoint presentations from your Word document.

To apply a Style to text, select the text and then choose the Style you want to apply to the selected text from the **Home** tab of the Ribbon. You can also choose to build your document based on Styles by using Word’s **Outline View** to create an outline of the document using Heading 1, Heading 2, Heading 3, etc. Styles. Once you create the outline, return to the traditional **Print Layout View** to complete the document.

Edit a PDF Document in Word 2013

If you need to edit a PDF document, Word 2013 offers a great new feature to assist you in this endeavor. You can choose to open and edit the PDF document in Word, eliminating the need to perform this action in another application. In Word, simply open the PDF document and perform your edits. When you complete your edits, you can choose to save the document back to PDF format or you can save it in Word format.

Create a PowerPoint Presentation from a Word Document

If you create a Word document using Heading 1, Heading 2, Heading 3, etc. Styles to apply formats to your major section headings and subheadings as discussed previously, you can create a PowerPoint presentation quickly that mirrors the structure of the Word document. From the **Home** tab of the Ribbon in PowerPoint, choose **New Slide** followed by **Slides from Outline**. Then, select the Word document you want to use as the basis for your PowerPoint presentation and PowerPoint builds the presentation for you automatically. You can then finalize the presentation by adding and editing text, selecting a different Theme, and applying animations and transitions, etc.

Create Multiple Presentations from a Single PowerPoint Presentation

You may find it necessary to have multiple versions of the same PowerPoint

presentation. If that is so, instead of using multiple data files, consider using PowerPoint’s **Custom Shows** feature. With this feature, you can create multiple versions of the same presentation, all contained within a singular data file. To create a Custom Show, click **Custom Slide Show** from the **Slide Show** tab of the Ribbon and click **New** in the Custom Shows dialog box. Then choose the slides you want to include in the newly created Custom Show. To present the Custom Show, select the Custom Show in the Custom Shows dialog box and choose **Show**.

Summary

The Microsoft Office suite of applications – including Word, Outlook, and PowerPoint – offer a seemingly endless array of features to assist busy professionals with their daily responsibilities. However, many professionals are self-taught in these applications and, as a result, do not become aware of many of the tools they can use to work more efficiently and effectively. Far from an exhaustive list of these tools, the seven features discussed in this article represent some of the easiest and most powerful options available to improve productivity. If you are looking to get better results in less time, consider how each of these tools can help you reach that goal.

Mr. Stephens is a shareholder in K2 Enterprises, where he develops and presents continuing professional education programs to accounting, financial, and other business professionals across North America. You may contact him at tommy@k2e.com.

IT Challenges, Opportunities and Advantages

By L. Gary Boomer



According to a recent article in CIO Magazine, Clueless in the Boardroom, research shows most boards don't understand enough about IT to keep up. The research was done by Pricewaterhouse Coopers and reveals that only 1% of directors have any technology background. Approximately 40% don't even care about IT and 57% rely heavily upon what they read. The challenge of IT leaders and professionals is to better communicate and educate these leaders. By doing so, opportunities and strategic advantages are gained. From my experience these findings hold true in most multiple partner accounting firms. Few firms have a functional IT committee, spend adequate time on IT strategy, and focus on innovation rather than IT maintenance. Too many firms employ a defensive rather than an offensive strategy. This approach increases stress and reduces the return on investment. Why and how can this be changed?

Challenges

The research points out several challenges for businesses and their IT leaders. Most boards or partner groups seek the counsel and reporting of their IT professionals in brief segments (typically no longer than

30 minutes) and many admit they really don't understand what the IT leaders are saying. This is risky and generally inefficient. CIOs need to become leaders who teach other C-Level executives and board members how to tell time and not how to build the watch. A high level of trust in an organization can reduce both time and the amount of the investment. Low trust produces the opposite effect by increasing time and the investment.

Another challenge is how to integrate IT strategy with the business strategic plan. This is especially tough for firms and business that don't have a current strategic plan. From recent research and polls at major conferences the majority of firms don't have a written strategic plan or IT plan. If they do have a plan, often it isn't shared beyond the partner group. Many simply operate from a budget and priority project lists. The process of developing these plans is as important as the plans. It forces communication among the leadership, management and IT professionals. Getting buy-in, project champions, and focus are all results that come from the planning process.

The consumerization of IT has caused firm leaders to realize they need to pay

more attention to IT. Cloud computing, social media and mobility are at the top of their lists. Apple, the iPad and iPhone have greatly impacted the changing landscape during the past few years.

Most boards are faced with time constraints and a limited number of meetings annually. Historically boards have focused on financial issues, risk management, executive compensation, succession planning and growth. Today, most of these issues have an increasing technology component - direct or indirect.

Opportunities

Firms can resolve their own issues and then utilize their experience and resources as part of packaged services to clients. We have seen tremendous advancement of IT professionals who have been part of our CIO Advantage Program™. Several years ago we started this program focused on improving communication, team building, project management, business savvy, marketing/sales and leadership skills. We have utilized Ignite presentations to hone communication skills, introduced them to the Kolbe index for team building, Six Sigma for process improvement and provided access to other leadership resources. The results have been exceptional for those IT leaders who are committed and have the support of their firm's CEO. Several have advanced to COO duties and one is now the CEO of her firm.

Clients are experiencing similar IT issues. They do not feel comfortable speaking with an engineer or programmer. They relate and prefer to communicate with someone who understands their business and technology – the trusted business advisor. The cloud provides collaborative



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Continued on page 13

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Financial Planning Process

Vladimir Sasic, CFP, ChFC - Wealth Strategy Partners

Vladimir will provide an overview of the state of the financial planning industry. He will cover the financial planning process as defined by the Certified Financial Planning Board, as the CFP defined planning process is widely used today. He will comment on the complexity of the financial world today and the pitfalls of independent financial decision making, highlighting how collaboration between CPAs, attorneys, financial and other advisors is critically important now more than ever. Q & A will follow.



Insurance Planning Opportunities and Pitfalls

Marcus Boland, CFP, CLU, ChFC & Gregg Fujimoto, CFP, CLU, ChFC - Northwestern Mutual

Marcus & Gregg will provide a practical discussion on recognizing insurance opportunities for individuals at various life stages. There will be an emphasis on Estate and Business insurance planning and how to evaluate the advantages and disadvantages of products used in these marketplaces. They will review recent legislation regarding Long Term Care policies and the potential tax savings for business owners. With opportunities there are also “tax traps and pitfalls” Learn what to look for and how to avoid them.



Social Security and Retirement Planning

Kirk Barth - CFP, CLU, ChFC, LUTCF, CLTC

Kirk will be covering Social Security benefits including how Social Security retirement benefits are computed and the role it plays in retirement planning, strategies to consider to maximize spousal benefits, how divorced spouse benefits works, how survivor benefits work, and tax strategies to minimize the taxation of Social Security benefits.



The Importance of Defense in Today's Market

Terry Lee - Lee Financial Group

As President and CEO of Lee Financial Group, Terry will be discussing the importance of using defensive strategies when managing client's investment portfolios in today's environment. He will talk about using a theme-based approach toward building a portfolio. He will also focus on how providing investment management services can enhance a CPA's practice by offering a holistic approach to servicing client's overall financial needs.



Successfully Adding PFP Services to Your CPA Practice

Janet Williams-Reyes, CPA - WR Financial

Join us to explore the scope of PFP Services as defined by the AICPA and the different business models used when integrating these services into your CPA practice. Understand when a CPA crosses the line to an Investment Advisor and the professional considerations and licensing required when that line is crossed. Address your questions about the professional risks and the business and monetary rewards associated with a PFP practice.

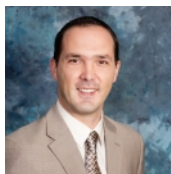


PFS Certification Process

Reg Baker, CPA-PFS - HMAA

Reg will give a brief history of the Personal Financial Specialist (PFS) credential, what it takes to get the certification today and why CPAs are in a very unique position to perform PFS services.

Featured speakers . . .



Vladi is Vice President with Wealth Strategy Partners, LLC. Making smart financial decisions has become increasingly hard in the complex financial world we live in. At his best, Vladi helps his clients develop a blueprint and the means necessary for them to achieve optimal financial balance.

The goal is that his clients and their families can enjoy the life they want, not only today but for generations to come. The commitment to his clients does not include only his best but the best of the relationships our firm has built throughout the local and national network of professionals and experts. This allows him to come up with strategies that are as unique as his clients' problems.



With almost 50 years of collective expertise, Marcus and Gregg help their clients attain financial security and efficient distribution of wealth for their families and businesses. They are dedicated to developing trustworthy and long lasting relationships by providing quality investment and insurance products that are supported by dependable service. Both Marcus and Gregg are past presidents of the Hawaii Estate Planning Council and have the credentials of CFP, CLU and ChFC. Marcus is a past president of the Financial Planning Association of Hawaii.



Kirk's primary focus is helping individuals, professionals and business owners with the design and implementation of estate and business plans as well as business continuity, financial planning and tax-saving strategies. He works with many of his clients in coaching them on the many strategies for Social Security and Medicare. Kirk is a registered representative of

MetLife Securities and carries the CFP®, CLU®, ChFC®, LUTCF and CLTC designations. He is FINRA Series 6, 7, 63 and 65 licensed (licensed to sell life, health and variable products, and general securities) in the states of Hawaii, California, Oregon, Virginia and NY. He is a member of the Million Dollar Round Table



Terry Lee is the President and CEO of Lee Financial Group (LFG), which he founded in 1988 along with the Hawaii Municipal Fund. In subsequent years, he expanded the firm to include wealth management services. Terry is also the Chief Investment Officer of the LFG Investment Committee and the portfolio manager for the First Pacific Low Volatility Fund, which he created in 2011. Terry is a graduate of Punahou School and received his BBA from the University of Hawaii at Manoa. LFG currently serves a broad range of clients including mutual funds, individuals, trusts, estates, businesses, charitable organizations and pension and profit sharing accounts.



Janet is Owner/President of WR Financial. She started her accounting career with the international public accounting firm of Arthur Andersen in Houston, TX. Janet moved to Los Angeles in 1984 where she started and headed up the financial analysis department for Sebastian International. From 1987 to 1995 Janet entered the restaurant industry as Chief Operating Officer of City West Restaurant Group which owned and operated restaurants in Los Angeles and Long Beach, CA. Janet and her family moved to Hawaii in 1995 and she started WR Financial in 2000. She is Past President and current Board Member of the National Association of Tax Professionals and has been voted 5 Star Wealth Manager of the year for 2 years in a row.



Reg Baker, CPA PFS has over 25 years' experience managing small and mid-sized companies, ranging in size from \$600 million in revenues with over 1,200 employees to just a few million in sales and 10 employees). Mr. Baker currently serves as the Executive VP for HMAA; one of the largest health insurance companies in Hawaii. Mr. Baker's industry experience includes healthcare, aviation, manufacturing, retail, non-profit, professional services, real estate management and development, entertainment and media. Mr Baker is licensed to practice as a CPA & PFS in Hawaii and Nevada and was a principal broker (series 24, 7, 66 and 63) and Registered Investment Advisor in Hawaii, Nevada and California. He was also licensed in Life Insurance, Property and Casualty Insurance and Real Estate.



<https://www.hscpa.org/professional-development/PFP-111214/personal-financial-planning-conference>



Personal Financial Planning Conference

November 12, 2014

PROGRAM

- 8:00 am Registration / Continental Breakfast
- 8:30 am Financial Planning Process and Environment
Vladimir Sasic - Wealth Strategy Partners
- 9:30 am Insurance Planning Opportunities and Pitfalls
Marcus Boland & Gregg Fujimoto - Northwestern Mutual
- 10:30 am Social Security: A Closer Look at Benefits
Kirk Barth
- 11:30 am Lunch Buffet
- 12:15 pm The Importance of Defense in Today's Market
Terry Lee - Lee Financial Group
- 1:00 pm Successfully Adding PFP Services to Your CPA Practice
Janet Williams-Reyes - WR Financial
- 2:30 pm PFS Certification Process
Reg Baker - HMAA
- 3:00 pm Conclusion - Networking

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solutions that allow firms the opportunity to efficiently capture transactions (Level 1 - Compliance) as well as offer higher-level CFO type services (Level 2 - Performance) and planning services (Level 3 - Strategic). When packaged, these services increase in value and margins. Systems that accurately capture transactions in real time rather than after the fact product significant results:

- Accurate and timely data reducing workflow compression during tax season
- Time to focus on higher level services such as cash flow, budgeting and business intelligence with automated reporting (dashboards)
- High value planning services such as succession, strategic and IT.

Another opportunity is to standardize and leverage the cloud-based platform and related ecosystem of related applications. This reduces the investment, training time and implementation. Firms are having fewer challenges finding a suitable cloud based platform and ecosystem than they are of how to package and delivery higher value services. Too many firms are caught in the old paradigm of compliance services and pricing by the hour. Even though compliance margins are shrinking, it is often easier to continue doing what you have been doing than changing behaviors to produce higher value results in the areas of performance and strategy.

Today's challenges call for a team rather than a rugged individualist approach. These unique ability teams create value through relationships (confidence), leadership (direction) and creativity (new capabilities).

The Advantages

Businesses and firms that manage tech-

nology as a strategic asset rather than overhead receive a much higher return on their investments. They also focus a higher percentage of their annual investment on innovative services rather than just maintenance of core systems (tax and accounting compliance).

For the past 20 years, firms with excellent management and technology leadership have outperformed those without these capabilities. Last year, the average firm spent approximately 6.0% of revenue and \$10k per full time equivalent on technology (includes labor, hardware, software, communications and depreciation). Where this investment is made is more important than the amount. Remember that average is where the best of the worst meets the worst of the best. Most firms view themselves as above average. Factors such as multiple offices, size of firm, and type of practice are important, but the investment continues to rise as more areas of the firm leverage technology. Marketing and client services are now driving a larger portion of the IT budget.

Plan of Action

1. Establish an IT committee with representation from all areas of the firm (Tax, Accounting, Consulting, Administration, Marketing and etc.) Limit the number of partners on this committee if you want the best results. Several firms are utilizing outside members to provide broader perspectives. I know of a few firms where their CIOs participate on each other's committee.
2. Develop a strategic plan for your firm and an IT Plan that integrates with the strategic plan. Each plan typically can be completed in a couple of days with professional assistance and facilitation. Focus on strategies that will allow your firm the ability to

leverage the cloud and provide a secure collaborative platform available from anywhere at any time. This will provide efficiency and scalability.

3. Participate in a peer group such as the Boomer Technology Circles™ and The CIO Advantage™. These groups provide access to expertise, leadership development and access to peers and best practices. They also provide IT management metrics and a library of policies and procedures. Make sure your IT professional gets training that focuses on communications, team building, project management and marketing of their ideas.
4. Utilize your CIO as part of your management team. This will provide a distinct strategic advantage to your firm. Based upon the research done at PWC and our own experience IT savvy leadership provides distinct advantages in the ability to retain and attract talent. Remember all progress starts with the truth! Is your firm as technology savvy as they need to be?

L. Gary Boomer is CEO of Boomer Consulting, Inc., an organization that provides consulting services to leading accounting firms in the areas of Leadership and Management, Client Development, Talent Development, Technology and Compensation. Gary is recognized in the accounting profession as the leading authority on technology and firm management. For over a decade, he has been named by Accounting Today as one of the 100 Most Influential People in Accounting. He is also a member of IPA's 10 Most Recommended Consultants.



Norman's Book Review

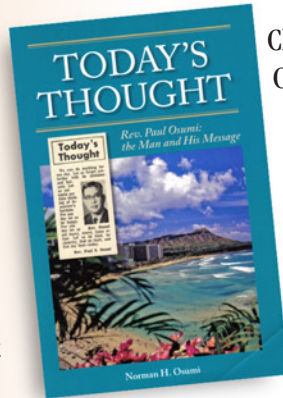
"Today's Thought"

by Norman H. Osumi

One of my favorite places to find books to review is Costco! From Cleveland to Seattle to the neighbor islands, each Costco has books unique to that store. I found "Today's Thought" in Kauai's Costco and was intrigued because in the September 2010 KALA, I reviewed Rev. Paul S. Osumi's first of three books of the same title. Turns out Norman is Rev. Osumi's youngest son who wanted to give people more insight into his father's life, accomplishments, faith, ministry, wisdom and hardships so they can live a happy and meaningful life.

Like many people of his generation, Rev. Osumi did not share many details of his life with his kids, sparing them the hardships he had to endure. I thought it was so heartwarming to see how much work the author put in to learn about his father, and to find out what a great person he truly was. You will also get a glimpse of how poorly Japanese-Americans were treated during World War II, including life in internment camps when two sickly Japanese-Americans who could barely walk were shot dead at Lordsburg Internment Camp, New Mexico, with the official explanation being that they were trying to run away. The guard who shot them was found not guilty of murder.

The book is divided into three parts; first is Rev. Osumi's biography, second is 24 inspirational messages from sermons he gave from 1936 – 1972 at the six places he ministered at (Hilo Japanese Christian Church, Lihue Christian Church, Canal



Church - Gila Relocation Camp in Arizona, Waialua Pilgrim Church, Ewa Community Church, and Nu'uuanu Congregational Church), and finally 315 of the author's favorite Today's Thoughts. Although written awhile ago, I

was amazed at how timeless Rev. Osumi's words were and how much we need his wisdom in this crazy world we live in now. Listed below are some of my favorite passages from the book, as well as a brief summary of what was Today's Thought, for those of you too young to remember it.

Today's Thought

From 1957 to 1993, Rev. Osumi wrote a daily column of inspirations called Today's Thought for the Honolulu Advertiser. It also appeared in the Hawaii Hochi and the Fairbanks Daily News-Miner in Nome, Alaska. For many, including myself, his column was something to look forward to in the newspaper, and favorite ones were clipped and taped to refrigerators, mirrors, office desks, or kept in a wallet or purse. He received thousands of appreciation letters from people in every walk of life and from around the world.

10 Commandments For A Happy Marriage

Before he conducted a marriage ceremony, he would meet with the couple and go over the 10 commandments for a happy marriage listed below. To this day, many people tell the author they still

remember his 10 commandments, especially the first and last commandment.

1. Remember marriage is a 100-100 proposition. It is not a 50-50.
2. Neglect the whole world rather than each other.
3. Never meet or part without an affectionate hug or kiss.
4. Each day say at least one nice thing to each other.
5. Never go to bed angry. Settle all differences before the sun goes down.
6. Do not argue. Always talk things over.
7. Do not nag or indulge in fault-finding.
8. Never bring up mistakes of the past.
9. When you have made a mistake, say, "I am sorry," and ask for forgiveness.
10. Never raise your voice or shout at each other unless the house is on fire.

Life Lessons

Interestingly, Rev. Osumi never lectured the author from a religious standpoint, only from a father's standpoint. The following are the life lessons the author learned from his father while growing up:

• Take Care Of Your Health

It's one of the most important things that you have. All the money and fame in this world are not worth anything if you do not have good health. Rich and famous people are willing to give up all their wealth and fame for good health, if they have poor health. Also, good health is a God-given gift and you should take care of it.

- **Family Comes Before Work**

It is not worth working long hours, day after day, week after week, month after month, year after year, only to lose your family. There are times you may be required to work

long hours, but do not do so indefinitely.

- **Money Is Not The Reason For Happiness**

People always want more and are not happy with what they have. True and

long-term happiness does not come from material things. Good health, loving family, loyal friends, positive attitude, helping others and giving more than receiving are a few things that bring happiness.

Inspirational Messages

Life's Arithmetic

A man said, "Life is a lot like a kid's problem in arithmetic. We get all mixed up." We often make mistakes in life's arithmetic.

We keep adding and multiplying life's possessions when we ought to be dividing them among others. We keep on subtracting from the list of people we should care about when we ought to be adding to the list.

Discipline

John Miller wrote, "There is not a thing in the world of more grave and urgent importance, throughout the whole life of a man, than discipline." A swimmer becomes a champion as he disciplines himself rigorously day after day. The surgeon becomes skillful in surgery through discipline. Acceptance of discipline is the price of excellence in any field.

State of Mind

Someone said, "Youth is not a time of life ... it is a state of mind." Nobody grows old merely by living a number of years. People grow old by losing their ideals. We are as young as our faith, as old as our doubts; as young as our confidence, as old as our fears; as young as our hope, as old as our despair.

Going to Bed

There is an art in going to bed. The best way is to go to bed thankful for what the day has brought; conscious that you've

hurt no one, that you've done what you should and a bit more, that you've made someone happy. Then you will sleep well and wake the next morning with a gallant spirit and a brave heart ready for whatever the day may bring.

Finding Faults

If you seek to find faults in others, you will not be disappointed.

You are sure to find them. But, if you go out to discover the good in men and women about you, you will find what a host of heroes and saints live in your homes and shops and streets.

Look for the best instead of the worst.

Do It Now

If you intend to speak a kind word, speak it now. If you intend to do a kind deed, do it now. If you intend to write a letter to your friend, write it now. If you intend to send flowers to your loved one, send them today. Tomorrow may be too late. You may not be here tomorrow. Your friend or loved one may not be here tomorrow.

Life is a Boomerang

Life is a boomerang. What we do always come to us. We reap what we sow. An angry voice calls for an angry voice in return. A critical remark gets its reply in criticism. Quarreling breeds quarreling. Discontent breeds discontent. On the other hand, love begets love.

Lessons in Living

A credo on living:

1. **Learn to laugh.** A merry heart is better than medicine.
2. **Learn to say kind things.** Nobody ever resents them.
3. **Learn to stop grumbling.** Try to see good in the world.
4. **Learn to relax.** Many people get sick being always on the go.
5. **Above all, learn to smile.** It helps brighten the world.

Escape From Problems

A minister met his friend George on the street. Seeing that he seemed depressed, he asked him, "What's the matter, George?" He answered, "It's these problems. Nothing but problems and more problems." The minister said, "I was recently in a place where there were more than 100,000 people and not a single person had a problem." George suggested, "That's the place for me." The minister replied, "Woodlawn Cemetery in Bronx. All are resting in peace."

Summary

Rev. Osumi was such an unsung hero who touched thousands of people's lives through his sermons, Today's Thoughts, messages and private meetings. During World War II, he followed the men who went from Gila Relocation Camp and then into the U.S. Army serving throughout the world, sending them weekly meditations. His work gave them strength and fellowship. I'm so thankful his son Norman took the time to write this book. His father was such an amazing person and the messages and Today's Thoughts included in the book are truly inspirational.

Introducing the Profession's Enhancing Audit Quality Initiative

Integrity, objectivity and competence have long been hallmarks of the CPA profession and provide the foundation for CPAs' reputation in the marketplace. With accounting issues and the business environment becoming more complex, information-driven and fast-changing, practitioners face new challenges in maintaining audit excellence.

To address those challenges, the AICPA has launched the Enhancing Audit Quality (EAQ) initiative, which presents the Institute's efforts to help auditors of private entity financial statements further improve the quality of the services they provide. Practitioners can give input on those plans by commenting on the AICPA's newly released discussion paper, Enhancing Audit Quality: Plans and

Perspectives for the U.S. CPA Profession. Comments are due November 7, 2014.

Advancing Audit Quality throughout the Profession

The discussion paper highlights ways the profession maintains and enhances audit quality, from establishing requirements for competence, diligence and due care; to setting audit and quality control standards; to administering the Peer Review Program. By summarizing near- and longer-term proposals to continue raising financial statement audit quality, the paper asks for feedback from all parties involved in the audit process of non-public entities. (For purposes of the EAQ, "private entities" refers to all non-SEC registrants, including not-for-profit organizations, employee benefit plans and governmental entities.)

"As they navigate today's business environment, practitioners are intent on providing high-quality audit services to their clients," said Gordon Tom, HSCPA president. "The profession's Enhancing Audit Quality initiative demonstrates the profession's continued commitment to quality. It outlines the many areas where stakeholders from our profession's many constituencies—our own members, peer reviewers, state boards, state societies and regulators—can work together to strengthen audit performance."

EAQ Areas of Focus

The AICPA is looking for input that could help it shape plans and programs proposed by the EAQ effort. The discussion paper poses specific questions through an online community where stakeholders can engage in a productive dialogue.

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Based on the foundational elements of quality—Competence and Due Care; Standards (Audit and Quality Control); Guidance, Tools, Learning and Resources; and Monitoring and Enforcement—the discussion paper proposes significant changes to the following areas, among others:

- **Peer Review Program:** The AICPA Peer Review Board approved a near-term plan introducing substantial improvements to the current Peer Review Program that range from enhanced peer reviewer quality and in-depth reviews of high-risk industries to improved engagement/firm tracking and more informative review results. In the longer term, an upcoming project will seek to transform the current Peer Review Program into a more real-time practice monitoring system that marries advanced technology and human oversight.

- **Auditing and Quality Control**

Standards: A joint task force consisting of representatives from the AICPA's Auditing Standards Board (ASB), Peer Review Board and others is now gaining stronger insights into audit quality issues. The task force will examine where and how audit concerns occur and their root causes, so appropriate solutions can be explored.

- **Evolving the Audit:** The AICPA Assurance Services Executive Committee (ASEC) is looking to the future of assurance services and seeking to leverage technology to develop new methodologies that will contribute to a more effective, efficient and timely audit process that will be more relevant to users. ASEC is working to provide insight into the traditional audit approach, how it has evolved and how it might continue to evolve into the future audit.

For More Information

The AICPA has created an informational webpage, aicpa.org/auditquality. This webpage features EAQ-related news and developments, including links to articles and blog posts on AICPA efforts, as well as resources on areas of focus identified by the Peer Review Board. A video featuring AICPA Board Chairman Bill Balhoff, CPA, CFF, CGMA, discussing the EAQ initiative is housed on the site, too. In addition, look for further details from the HSCPA regarding a free AICPA webcast on the EAQ to be held in September.

Your Insights Are Critical

You can download, read and provide comments on Enhancing Audit Quality: Plans and Perspectives for the U.S. CPA Profession on the AICPA's online EAQ Community (aicpa.org/EAQpaper). To comment, you must use your AICPA.org login or create a quick login online. Feedback is due **November 7**.

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AICPA Launches Future of Learning Initiative

Businesses are changing faster now than at any point in modern history — and are becoming ever more complex and globally focused. At the same time, major disruptions in education have opened opportunities for professional development in the accounting profession.

What can the CPA profession do now to ensure we stay at the forefront and are prepared for what's ahead? How can we improve professional development to ensure that CPAs provide quality services and thrive in a competitive, rapidly evolving global marketplace?

Future of Learning Task Force

To address these critical topics, the AICPA assembled the Future of Learning Task Force. It is a diverse group of innovative thought leaders in public accounting, industry CPAs, state CPA society leaders, regulators, and educators. In making the case for change, the group examined the impact of globalization, the rise of specialization within the profession, the shifting dynamics of the workplace and the differing expectations that millennial generation CPAs bring to their careers and learning.

From its efforts, the Task Force developed a profession-wide, global learning vision. The task force's recommendations address a reinvention of lifelong learning and competency in four ways:

- **Innovate and experiment:** Learning, compliance and competency development must evolve to support high-performing professionals who serve the public, employers and clients with unequaled rigor and expertise.

performance as ways to help assure CPAs' high-quality work.

Explore the full recommendations and insights on the AICPA's new The Future of Learning site.



- **Ignite a passion for learning:** Create meaningful, purposeful experiences that motivate and engage learners.
- **Make learning personal:** For the pursuit of learning to be lifelong, it has to be personal and meaningful. This is achieved by providing relevant learning opportunities that address the knowledge and competency needs of individual learners.

- **Measure what matters:** Demonstration of competency and professional development should not be limited to a test result or number of hours. A shift in compliance is necessary so that learning is authentic and relevant, and measures competency, development or

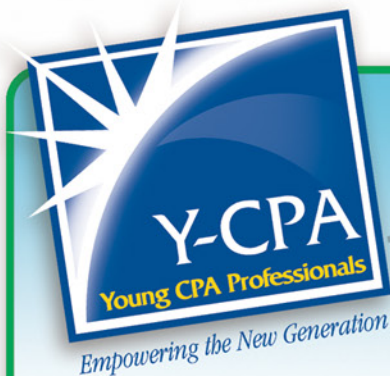
Inspiring Action in the Profession

No one knows exactly where these many changes will take our profession in the next decade. However, thinking through the implications of the Future of Learning initiative now ensures professional development and delivery stays relevant, and that

CPAs not only will acquire professional skills, but remain nimble, insightful and prepared for whatever is to come.

“The Future of Learning site not only gives you an opportunity to learn about the initiative, it is designed to help us all move forward together,” says Darryl Nitta, Hawaii designee AICPA Council member. “We encourage HSCPA members to visit the site to learn more.”

The AICPA plans to organize idea exchange groups and other collaborations around this topic in the weeks ahead, and is committed to evolving learning resources to reflect new learning techniques.



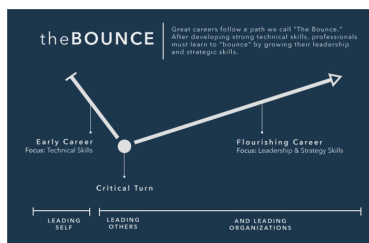
Y-CPA BUZZ!



Will the New Leaders of the Profession Please Stand Up?

By Adrian Hong

Before I attended the AICPA's Evolve Distinguish Grow Emerge (aka E.D.G.E.) Conference, I had some trepidation about attending a conference that didn't focus on technical topics. All the conferences I attended before focused on technical topics (ex. changes to accounting literature, data modeling, taxonomy development, etc.), which made it easy to identify and measure the value of my attendance. If I learned the topic and could apply it, I was more valuable to my organization because of my technical knowledge.



Therefore, I was pleasantly surprised to find out how useful and valuable the AICPA E.D.G.E. conference was to me. The conference focuses on creating those skills necessary after you reach the **bounce**. The **bounce** refers to the period in your career where you are no longer evaluated by your technical knowledge alone but by how you lead, mentor, and manage those around you. It is a period in which you take on new roles and new responsibilities. It is a period where I and many of my colleagues find ourselves as we step into leadership roles.

Skills that were taught during the conference include: making feedback effective, making use of body language during speeches, creating succession plans, making career plans, and creating value propositions for yourself and your organization.

The conference also provided attendees with a look at beta versions of AICPA tools that will be used by firms to mentor and assess employees, to create succession plans, to teach new leaders firm economics (ex. billing, realization, utilization, etc.), and to teach employees to make the most of networking and client relationships.

I personally found the Making Feedback Effective presentation particularly useful. The presentation identified the goal of feedback, the characteristics of effective feedback, and issues that arise when giving

feedback. It also provided a format for giving clear and concise feedback. I definitely intend to implement the presenter's recommendations going forward.

If you are transitioning into a leadership role, I recommend attending the AICPA E.D.G.E. conference. It will help you make the most of your bounce. It will give you the skills necessary to stand up as a new leader in your organization and stand out as a role model in the CPA profession.



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CPA FIRM MICROCOMPUTER TECHNOLOGY

By Ron Gouveia CPA.CITP of Carr, Gouveia + Associates, CPAs, Inc.



Johnston whom many of you know.

The course on September 30 is Excel Best Practices. Spreadsheets are one of the most underrated technology risk areas. The probability of errors in spreadsheets is very high. Practices which reduce the risk of error in spreadsheets are extremely important. We all rely heavily on spreadsheets in everything we do. Yet we don't get enough training on controls and best practices to ensure our spreadsheets are free of errors. I highly recommend this course.

The second course, on October 1, is Small Business Internal Controls, Security, and Fraud Prevention and Detection. Those of you working with small businesses and nonprofits know what

a challenge it is to get managers and owners to understand the importance of internal controls and how to design and implement them utilizing the technology available today. "Course participants will benefit from the case studies used in class in which theoretical concepts are implemented and demonstrated in leading small business accounting software programs such as QuickBooks, Sage 50/ Peachtree, Microsoft Dynamics GP, and Sage 100." This is a great course for those working with small organizations.

Microsoft has renamed its cloud storage offering from SkyDrive to OneDrive. There are two versions of OneDrive, one for personal use and a business version. The business version of OneDrive comes with a Small Business or Enterprise subscription to Microsoft Office 365. Microsoft is in the process of increasing the amount of storage offered to 1 terabyte. That's a lot of storage. The interesting thing is that you can set up OneDrive so

that it automatically and continuously synchronizes with files on your system. The result is a fully up-to-date backup of files on your system that you can access from anywhere. For me this means that all the data that is synchronized with my system is available on my iPad. Especially valuable is the fact that this data is automatically accessed from Microsoft Office on the iPad so that any document or spreadsheet that I create on the iPad is automatically synchronized back to the office system. The backup and synchronization features offered here at no additional cost other than an Office 365 subscription are very valuable.

Inexpensive software tools that I'm currently using include Snagit from TechSmith which is a Windows screen capture utility. Snagit allows you to highlight and capture anything from your browser including a web page that scrolls off the bottom of the screen. I'm just starting to use Copernic Desktop Search from Copernic which indexes files, text documents, email archives, music, images and videos on your computer and mapped network drives for easy and quick search. For those of us in the information business, finding what we know is there can be a daunting task. This tool is a real help in this area.

If you have any questions or comments, call me at (808) 837-2507 or send e-mail to ron@cga-cpa.com.

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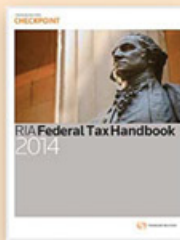
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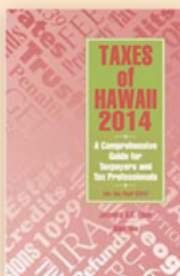
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