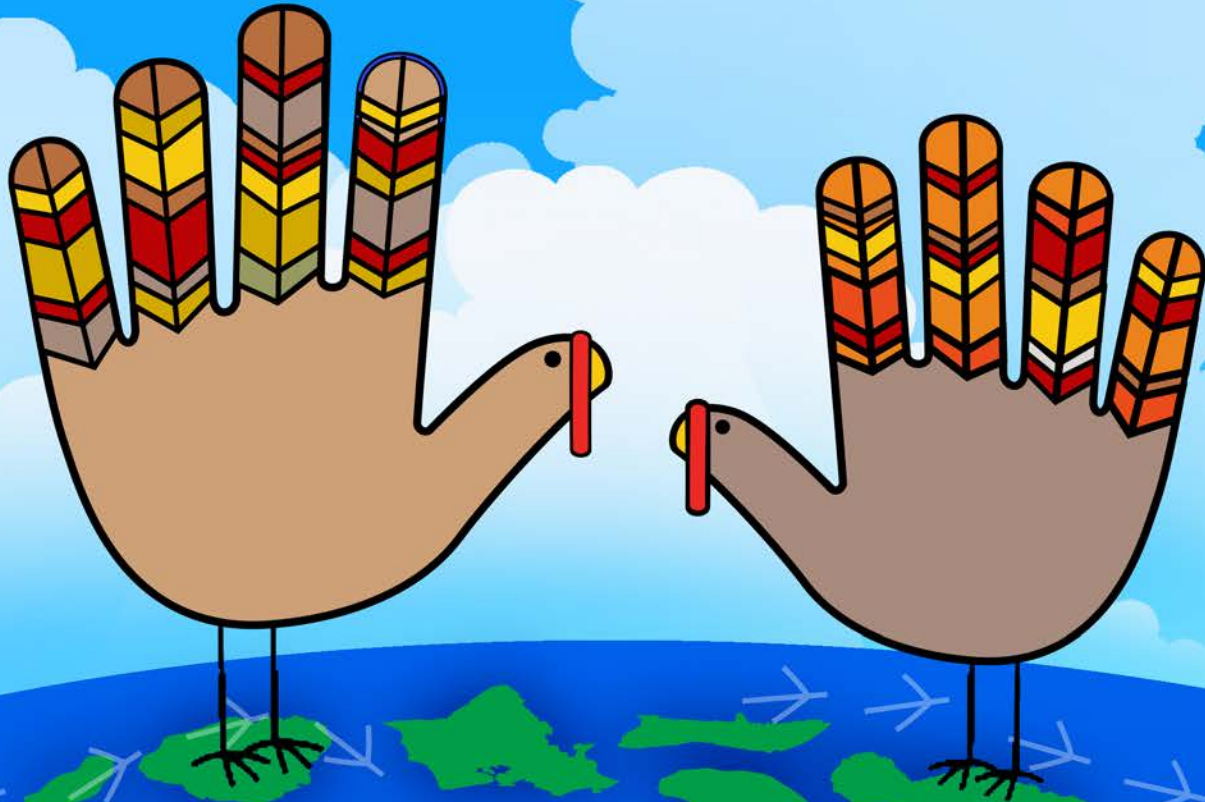


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The Official Publication of the Hawaii Society of Certified Public Accountants

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KALA (the Hawaiian word for money) is published monthly and is the official publication of the Hawaii Society of Certified Public Accountants. Please direct all inquiries regarding editorial content to HSCPA, 900 Fort Street Mall, Suite 850, Honolulu, Hawaii 96813.

President's Message

By Norman N. Okimoto



November means the year is quickly coming to an end, and with Thanksgiving, it is also the month to give thanks for what we have.

As a CPA in Hawaii, we have many things to be thankful for, and the following are my top 10 things we can be grateful for.

10) Kathy and Debbie

We can be thankful we have Kathy Castillo and Debbie Cortes taking care of us as HSCPA members.



Like Bruno Mars' song "[Count On Me](#)," we can count on them to do what is best for HSCPA, the profession and for us. On the national level, Kathy is our Hawaii Ambassador and makes sure HSCPA is well taken care of and represented, even though we are such a small group compared to other states. If necessary, she will sway her hips for HSCPA and dance the hula at accounting functions.

9) AICPA and HSCPA

AICPA and HSCPA are tirelessly working to keep the CPA designation relevant, to have young people want to be CPAs, and to have CPAs continue to be the trusted source for all financially related things. In this fast-changing world, it is a challenge, and while individually we may not always agree with all initiatives, the effort put in by the AICPA and HSCPA is honorable and impressive!



8) Ethics

While there are exceptions, for the most part CPAs work and carry themselves ethically and with integrity. In reflecting on why I enjoy dealing with fellow CPAs, this is one of the reasons why. The public also agrees by putting CPAs on the top of the spectrum in regards to who they trust.



7) AICPA Insurance Programs

One of the best reasons to be a member of the HSCPA and AICPA is the AICPA insurance programs (being a dual member has its advantages). For term life insurance, spousal insurance, supplemental insurance, etc., AICPA's insurance programs are tough to beat. Aside from the low cost of the insurance, you get money rebated back if the payouts are less than the premiums collected, significantly lowering your net insurance cost. The money saved can be used for your vacation, mortgage and/or tuition payments. I always recommend fellow CPAs to seriously consider AICPA's insurance programs.

6) Y-CPAs



The Y-CPAs have brought energy and excitement to the HSCPA and its events. With their 'road trip' school visits, they have positioned the profession well with high school and college students. The Y-CPAs' spirit of volunteerism has also made a positive difference in the community. We are in good hands with the younger generation of CPAs, and we have to keep on recruiting young people into the profession.

5) Giving Back / Legislative Advocacy

I'm thankful CPAs are truly a committed group and will support causes to benefit the profession, HSCPA and their fellow CPAs. When it comes to donating time and money to charitable organizations, you will always see CPAs on the donation lists. When there is a need for CPAs to be advocates for legislative initiatives, there are many who volunteer their time and expertise, usually without fanfare.



4) Willing Mentors

CPAs recognize how important their role is in business, the community and the world economy, and do their best to make sure they leave a positive legacy, and mentor others to "carry the torch" forward. Many CPA firms go to great lengths to make sure their clients are taken care of when legacy partners and





key staff retire. In private industry, experienced executives share their knowledge willingly with junior staff members. It's so heartwarming to see when mentoring works well for clients and private entities.

3) Employable Skills

Majoring in accounting or taking accounting classes may not be perceived as the most exciting thing to do in college, but it definitely provides the person who perseveres and learns accounting a firm foundation to get a great job and career. Looking back on my career, taking accounting classes and getting my CPA were the best decisions I made. I always encourage students to take accounting classes to see if they like it. The list of jobs available to accounting graduates is awesome!

2) Honorable and Fun Loving

One of the little known secrets of CPAs is aside from being an honorable and hard working bunch, CPAs are fun loving, know how to have a good time, and have great taste in wine and other adult drinks! The HSCPA and other accounting functions are always great fun! When there are socials with other professional groups, the prevailing opinion is CPAs always have a blast and are more fun to be with!!!

Being a CPA in addition to living and working in Hawaii adds to our good fortune! With that, I wish all of you a HAPPY THANKSGIVING and I hope you agree with me that it's great to be a CPA and a member of the HSCPA!!!



1) Lucky Us!

Lastly, one of the lessons I learned and always remember from the well known and highly respected leadership coach Glenn Furuya and his Leadership Works Training is:

*"Life gives you two things: **Gifts and Lessons**. Eight billion plus people live on this planet, many living in poverty and oppression. Think of how fortunate we are to live in Hawaii, a place most people call paradise! That's a gift we should all treasure. Despite being so blessed, we will all face tough times, difficulties and pain. Just remember to look for ways to learn and grow from these challenges, as there are **lessons** embedded in the adversities we face."*



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6 Tactics That Make for Happy Employees

By Sabine Vollmer

Accountants and finance professionals could be more productive if they were happier at work, research by Robert Half suggests.

Happy employees are better employees because they are more engaged and more satisfied, they change jobs less often, and their mental health outside of work is better, according to Marsha Huber, CPA, CGMA, a happiness researcher and associate professor of accounting at Youngstown State University in Ohio. Huber, who was not involved in the Robert Half research, suggested that these benefits can translate into saved recruiting and training costs and even fewer sick days and lower medical costs.

Surveys by staffing firm Robert Half found that two-thirds of employees in North America, Europe, and Australia are generally happy in their jobs, but accountants and finance professionals rank in the bottom half of the happiness scale among eight different professions.

Accountants came in fifth and finance professionals were dead last in being

happy at work, a survey of more than 12,000 working professionals in North America found. They were also the least interested in their work.

Happiest at work

Based on a survey of more than 23,000 professionals across Europe, North America, and Australia, Robert Half ranked the following eight countries by how happy workforces are on the job:

- US
- Germany
- Netherlands
- Australia
- Canada
- UK
- Belgium
- France

“In general, to help any employee become happier on the job is to help them find meaning in their work,” Huber said. “We need to help some accountants progress in their careers. Other accountants may need to feel they are doing something meaningful. For example, an accountant who works for a non-profit may earn less than peer accountants,

but loves her work because she finds the work rewarding.”

How to work happy

Happiness at work is shorthand for employees being satisfied because they have a great experience on the job, Robert Half suggests. Needs, goals, and preferences that change from employee to employee make this experience a highly individual one, but Robert Half concluded that the following six factors are key drivers of job satisfaction:

Hire to fit. Set expectations by crafting detailed job postings that clearly communicate to prospective hires what the job entails. When you select job applicants that seem suitable, conduct in-depth interviews and thoroughly check references to avoid skills alignment issues. Also, devote attention to interpersonal abilities during the interview process to avoid hiring someone who's brilliant but is going to irritate other workers.

Finance professionals that Robert Half polled in the US and Canada said they did not feel well matched to their work. They said they aren't able to use their strengths on the job to a high degree.

Reward smart risks. Empower employees to make decisions on their own, or with minimal direction, to let them develop problem-solving skills they can use to advance their careers, build confidence, and feel comfortable suggesting

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Gross revenues shown: Hawaii Neighbor Island CPA-950K, Tax (49%), acctng (46%), other (5%), cash flow 50%+, turn-key practice, tenured staff; Honolulu CPA Majority Partnership Opportunity-60%+/\$300K, tax 65%, acctng 35%, strong fee structure, staff in place. For more information, please call 1-800-397-0249 or to see listing details and register for free email updates visit www.APS.net.

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new ideas. Invite your entire workforce to brainstorm new ideas and approaches.

When somebody tries something that doesn't work, capture the lessons learned through the failure and celebrate the smart risk taken.

About one-quarter of the professionals Robert Half polled in the US and Canada said they wield little or no control over their work (23%) and feel they have few opportunities to be creative (26%).

Make employees feel appreciated. Offer gratitude for a job well done. Be specific when you recognize an employee and deliver the praise in a timely manner. Provide frequent feedback not only to individuals or the less experienced workers but to the entire team.

Respondents in the Robert Half North America survey who were 55 or older were less likely to receive constructive feedback (44%) than those under 34 (54%).

Offer work that's interesting and meaningful. Let employees know through multiple channels that their contributions matter and that they are part of something larger than themselves. One way to do this is to allow employees to volunteer and establish ties with the community. Research suggests employees who feel their work is worthwhile are nearly 2.5 times more likely to be happy than those who feel the job they do is "just work."

Workers at very large companies (2,500 or more employees) feel the lowest sense of accomplishment, according to Robert Half research.

Play fair. That means managers must ensure every team member knows what it takes to get promoted or earn higher pay and workers must have a chance to say when they feel a sense of inequality. To ensure employees feel their pay is equitable to that of others doing the same work, employers must periodically benchmark salaries. Knowing the going rate is vital to recruiting and retaining top talent.

Only 70% of women feel they are treated fairly compared to 74% of men. Likewise,

52% of women say they are paid fairly versus 58% of men, according to Robert Half research.


Help employees establish supportive workplace relationships. Managers can promote a positive workplace culture by creating opportunities for employees to forge and strengthen bonds with colleagues. For example, enlist older, or more experienced workers to support their less experienced coworkers.

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—Sabine Vollmer sabine.vollmer@aicpa-cima.com is a CGMA Magazine senior editor.

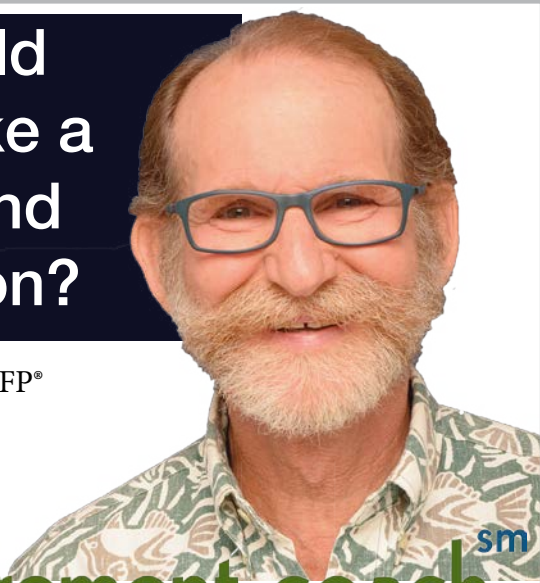
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Changing Mindsets for Advisory Services

By Marc Staut, Principal & Consultant



At our recent Boomer Technology Circles Summit, expanding the firm's advisory services was a hot topic.

Some firm leaders are asking how they can hire or develop the skills they need. Others are opting to purchase consulting firms to acquire the talent (and client base) to hit the ground running. Whether they build it or buy it, I caution firms not to attempt to run a consulting firm like their traditional tax and audit practices. Otherwise, you'll spend a lot of money and might not get what you were hoping for in return.

The right mindset

In her book, *Mindset: The New Psychology of Success*, Carol S. Dweck argued that there are two kinds of people, those with a fixed mindset and those with a growth mindset.

People with a fixed mindset believe:

- Abilities, intelligence and talents are traits

- There is a limit you are born with, and that's all you'll ever be
- They must protect what they've done, look smart, and avoid looking dumb

People with a growth mindset believe:

- Talents and abilities are developed through effort, teaching, and practice
- Anyone can improve and be smarter if they work at it
- They are open to new ideas, learning, and recognize not everyone is the same

To truly embrace advisory services, your firm will need to have a growth mindset. Here's why:

One size no longer fits all

For years, firms have been counseled to get tax and audit departments using the same systems. While these strict standards create cost savings and efficiencies in training and response times, they reduce flexibility and innovation – attributes crucial to an effective consultancy!

Advisory services need entirely different tools, and they aren't bound by the same compliance services as tax and audit. Innovative tools like Box, SmartSheet and Zoom can provide the flexibility and freedom advisory consultants need to perform their jobs from anywhere, at anytime.

This can work really well if your in-house IT group is open minded and willing to collaborate with your advisory team. But if not, you could end up with shadow IT: consultants using devices, software, and services without the knowledge or approval of your IT department. Shadow IT causes a number of potential problems, including creating large scale compatibility issues, adding additional often unbudgeted costs, and most concerning of all, opening security holes that put your firm at risk.

Location vs. performance

Performance of audit and tax professionals may be measured by face time in the office and billable hours. This simply



isn't feasible for advisory services.

Many consultants may never set foot in a standard office. They often have a road warrior lifestyle that necessitates working when and where they can, and jobs may take years to pay off. So how will performance be measured?

Some of the key performance indicators (KPIs) we see successful firms using are:

- Annual revenue per billable consultant
- Annual revenue per employee
- Project overrun
- # of services delivered to the client
- Client retention
- New client growth
- Average revenue per year per client
- Turnaround time

Strategic actions that enable remote consultants

Now that we've taken a look at the considerations you'll need to take into account for Advisory Services, let's talk about what you can do now to enable your team.

1. Performance before perfection.

Audit and tax services are process-driven tasks that must be carried out 100% correctly. Advisory Services are more about performance. These consultants help clients by digging in and offering creative courses of action and solutions in very short timeframes. They have to hit the ground running.

When a consultant is having a technical issue, they don't need to spend hours determining the perfect fix. Solutions to a consultant's problems in the field

are an iterative process! They don't have to work perfectly, they just need to work RIGHT NOW . . . and we'll get it working better later when there is more time and less pressure on the consultant.

2. Ease stress. Focus on improvement in your technology systems. Advisory consulting often demands 24/7/365 schedules. They work across global time zones, travel extensively, work on holidays and have little down time. Where traditional IT support may allow for maintenance windows, advisory IT needs resilient systems and support teams that are available and working when they're needed.

3. Identify ways to move away from billable hours and toward fixed fee billings. Look for alternative metrics. The ones mentioned above are just a few examples. Find out what works for your team.

4. Implement professional development plans for all team members. Firms tend to focus on professional development for their audit and tax teams, but forget about other professionals who don't have an annual CPE requirement to meet. Everyone in the firm needs professional development and a clear career path.

5. Dump the hierarchical structure. Focus on collaborative management and empower all team members. This encourages your team to work

together, rather than focus on their individual climb up the career ladder. There's also a focus on "knowledge transfer" so that client information isn't locked inside the head of any single staff member.

6. Focus on flex and remote work.

The people who make excellent Advisory Services consultants are driven self-managers. The nature of their work means they'll be offsite and working outside of the traditional nine to five work day. Prioritizing flex and remote work demonstrates that you understand the unique needs of these professionals.

Having first class Advisory Services requires great leadership, different skills, and new processes. It's not enough to just follow "best practices." There's no competitive advantage to following the herd! Work on nurturing a growth mindset in your firm that supports innovation in your Advisory teams and they can drive innovation throughout the firm.

Marc Staut, Principal & Consultant at Boomer Consulting, Inc., helps meet the growing needs of CPA firms by leveraging his experience to provide strategic technology assessments, planning, visioning and coaching. He feels that "technology should be an enabler – something that's approachable, aligned with and integral to the success of each firm." Marc is a regular speaker, author and panelist on technology in the accounting profession, cloud computing, mobile technology, leadership and vision.

3 Ways to Take Action against Cyber Threats – for Your Firm and Clients

When news broke that roughly 143 million people could have been affected by a hack at credit monitoring agency Equifax, it was just the latest report of a significant data breach. As concerns about cybersecurity mount, CPAs are in an excellent position to help strengthen the cybersecurity risk management programs for all organizations, whether they are doing it within their own firms or organizations or

Expert-Level Firms: Consider Cybersecurity Examination Services Organizations are under growing pressure to show that they are managing cybersecurity threats and have effective cyber risk management programs. In fact, more than 44% of respondents to the Association's cybersecurity survey say that boards of directors or audit committees have expressed an interest in knowing more about the cybersecurity risk management programs in place within their organizations.

Organizations that have a mature program in place may want to seek a CPA's independent evaluation of their cybersecurity risk management programs. Developed for CPAs with a high level of knowledge in this area, the AICPA's new [SOC for Cybersecurity](#) examination service builds on the profession's experience in auditing system and organization controls, and enables CPAs to examine and report on an organization's description of its cybersecurity risk management program and the effectiveness of controls within the program.

for a client. Specifically, there are three ways that CPAs can use their skills and resources to guard against cyberattacks.

1. Keep Your Organization on Course

What's one critical first step you can take? Recognizing the threat in the first place. In a recent cybersecurity risk survey conducted by the Association of International Certified Professional Accountants (the Association), an alarming 49% of respondents report that their organizations have experienced a cyberattack within the previous two years.

That means that neither firms nor their clients should neglect the importance of cybersecurity. Any business, and a CPA firm in particular, may be subject to cyber threats. For CPA firms, the danger is enhanced by the fact that they store large amounts of confidential client and employee data, which is contained in a variety of often easily hackable laptops, servers or emails. To combat the problem, experts recommend training to staff, maintaining your firewall, keeping up to date on new threats and solutions and emphasizing the importance of security when working remotely.

2. Start Client Conversations

Not every CPA firm is equipped to tackle clients' cybersecurity concerns, but it's still important to broach the topic. With businesses of all sizes facing an increase in cybersecurity risks, you can help clients identify and understand those risks. Ask about what kinds of protections they have in place, staff training programs, privacy and security policies, response plans and other controls that

help mitigate risks and/or manage the aftermath of security incidents. Connect clients to experts who can help them put together an effective cybersecurity risk management program. Even if you cannot solve cybersecurity challenges outright, by demonstrating concern for their business's wellbeing, you'll strengthen client relationships. The American Institute of CPAs' (AICPA) [Private Companies Practice Section](#) (PCPS) Building a Cybersecurity Practice Toolkit can help you begin those critical discussions.

3. Help Clients Navigate Threats

Results of the Association's cybersecurity survey indicate that nearly 45% of respondents have sought third-party assistance for their organizations on cybersecurity risk management. Firms that specialize in information technology may be well-equipped to step in and provide advisory services that help companies spot cybersecurity weaknesses, identify potential risks and offer advice on how to safeguard information and systems. According to the Service Opportunity Grid in the PCPS [Building a Cybersecurity Practice Toolkit](#), engagements that CPAs can perform might include:

- Assessment services, which evaluate how well an organization's approaches match with a given framework.
- Security consulting, which encompasses a range of engagements, such as technical vulnerability assessments, attack and penetration testing and disaster recovery plan consulting.

Continued on page 13



An Update from the University of Hawaii at Manoa

By Tom Pearson, Acting Director-School of Accountancy



It is an exciting time at the University of Hawaii at Manoa (UH-Manoa). The recent big announcement of Jay Shidler's visionary gift of an additional \$118 million to the Shidler College of Business enables the faculty to propose new visions of potential further enhancements for the quality of the students' education at each degree level (undergraduate, masters and PhD). It will be interesting to see how those overseeing the money choose to invest the new sources of funds. Our School of Accountancy (SOA) Advisory Board is likely to discuss this at its next meeting.

The size of the Shidler gift is the third largest given to a business school, just after University of Michigan and University of Chicago. While these business schools and many others still have a much larger endowment, the Shidler gift of eleven ground leases will keep growing and raise the Shidler College to among the ranks of the most well-endowed universities.

This year the PCAOB recognized the UH-Manoa with a \$10,000 scholarship for a student continuing on with an advanced accounting education. Richard Martin was selected for the scholarship. UH-Manoa has many \$1,000 scholarships which are now recognized at a scholarship luncheon in early November with many donors of these scholarships present.

In addition, the UH Accounting Club was one of 12 universities recognized by the Institute of Management Accountants (IMA) with a Certificate of Excellence award, along with universities such as BYU, Univ. of Wisconsin, Michigan State Univ., and Univ. of Texas at Austin. The UH Accounting Club consistently earns great national recognition.

Manu Ka'iama was the faculty advisor to this student club. Beta Alpha Psi once again received superior chapter, led by faculty adviser Jenny Teruya, who also serves as the Director of the MAcc program.

On November 4th, the student clubs are holding the 41st annual "Glimpse Into the Future Conference." Speakers include Blane Ruschak who is the Executive Director of Recruiting for KPMG (and one of the first UH MAcc graduates), as well as some leading accountants, business leaders, and government agents. Speaking at SOA the day before is Mike Drake, the professor at BYU who leads its very successful Ph.D. prep program for master of accounting students.

A new conference for UH to be held in early January 2018 is the Hawaii Accounting Research Conference. Although the conference is primarily designed for leading accounting academics, the panel discussion on blockchain, welcomes practitioners for a discounted rate of \$100. The panel includes the chief economist on the PCAOB, the CEO of Grant Thornton, the general counsel for the second largest blockchain provider, and our own Professor Roger Debreceeny.

SOA welcomes Professor Tu Xu as a new assistant professor who will teach in the undergraduate systems capstone courses. Professor Xu earned his Ph.D. degree in Singapore and earned a master degree in accounting from the University of Illinois. Professor Xu researches how institutional and environmental features shape investors and auditors judgments and decision-making.

Dr. Moshen Sharifi is a visiting faculty in accounting information systems and a leader in creating internal auditing education. Dr.

Shirley Daniel returned back to Hawaii after leading a UH study-abroad program in Italy and Dr. David Yang returned back from sabbatical. Because SOA Director Hamid Pourjalali is in Iran for two months, this news is provided by Acting SOA Director Tom Pearson.

This year the SOA reviewed its master of accounting program and is in the process of updating it for current trends made by CPA Exam revisions for 2017 (now 50% simulations, requiring application of knowledge and skills), professional environment changes (such as data analytics), technological changes (increased use of mobile devices and cybersecurity concerns), and adding typical offerings MAcc (such as forensic accounting and financial statement analysis).

Leading-edge research was most notably completed by SOA Professor Jian Zhou who received the College's Shirley M. Lee Research award. He published "Languages and Earnings Management" in the Journal of Accounting and Economics. In that article the co-authors predicts that managers of firms in countries where languages do not require speakers to grammatically mark future events, perceive future consequences of earnings management to be more imminent, and therefore they are less likely to engage in earnings management.

The College is in the process of creating some 1-year (30 credit hour) specialized masters programs in finance, information technology management, and marketing. Many accounting students double major in accounting and either finance or information technology management, so the best students in these areas will have new opportunities for this specialization.



HSCPACPE

NOVEMBER



- November 1 –** [4-HOUR A.M.] U.S. GAAP: Review for Business & Industry [more>](#)
- November 1 –** [4-HOUR P.M.] Interpreting the New Revenue Recognition Standard: What All CPAs Need to Know [more>](#)
- November 2 –** [4-HOUR A.M.] Data Breaches & Other Cyber Frauds: A 21st Century Risk to Your Organization [more>](#)
- November 2 –** [4-HOUR P.M.] Purchasing, Inventory, and Cash Disbursements: Common Frauds and Internal Controls [more>](#)
- NOVEMBER 14 –** Emerging Issues Impacting Today's Accountants with AICPA Chair [more>](#)
- NOVEMBER 14 –** Complete Guide to Payroll Taxes and 1099 Issues [more>](#)
- NOVEMBER 15 –** Tax Forms Boot Camp: LLCs, Partnerships & S Corporations [more>](#)
- NOVEMBER 16-17** [2-Day] – Hawaii Technology Conference [more>](#)



Continued from page 10

CPAs providing these services, and their clients, may find the AICPA's new [cybersecurity risk management reporting](#) framework helpful. For example, the description criteria developed as part of the framework presents a common language—or criteria—for organizations to develop and describe their cybersecurity risk management programs and practitioners to evaluate the descriptions.


Stay One Step Ahead

The rise of cybersecurity threats seems daunting, but fortunately CPAs can offer valuable solutions. To get started, turn to a variety of tools and information in the [Cybersecurity Resource Center](#) that can help you keep your organization and your clients one step ahead of the next cybersecurity threat.

And don't miss this upcoming, free online event on Nov. 1 at 12 p.m. ET: [Beat the Breach](#): Cybersecurity expert and Shark Tank star Robert Herjavec talks data

protection. Global cybersecurity expert and Shark Tank star Robert Herjavec sits down with Barry Melancon, CPA, CGMA, CEO of the Association to discuss trends and best practices. This important event


is brought to you by the Association, the unified voice of the American Institute of CPAs and the Chartered Institute of Management Accountants.



2017 TAX Forum

December 5, 2017
Prince Waikiki
8:30 a.m. to 3:30 p.m. (8:00 Check-in)

END OF REPORTING YEAR SPECIAL



- ♦ **Hawaii Legislative Tax Update:** What's Next and How the New Laws Will Affect Taxpayers
- ♦ **New Partnership Audit Regime under the Bipartisan Budget Act of 2015:** Overview of the new rules and discussion of important considerations for partners and partnerships (to be effective January 1, 2018)
- ♦ **Update on Recent Tax Cases:** A summary of new, significant and/or interesting tax cases and rulings in 2016-2017 (state and federal)
- ♦ **DOTAX Initiatives:** Updates to the Tax System Modernization (TSM), including new features; and tax practitioner updates relative to TSM
- ♦ **Hot Topics in Tax Representation and International Tax and Reporting**

Featured Speakers (in order of presentation):

- ★ **Tom Yamachika, Esq.,** President, Tax Foundation of Hawaii and sole proprietor of Aloha State Tax, a small law firm with emphasis on State taxes
- ★ **Joanne Lee, Esq.,** Partner, Carlsmith Ball LLP, former Assistant U.S. Attorney in Hawaii and New York City and former Associate White House Counsel
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Norman's Book Review

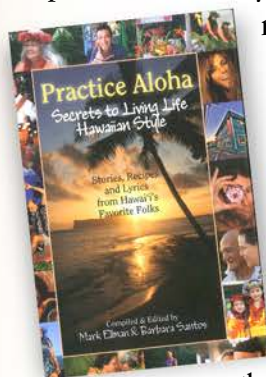
"Practice Aloha"

by Mark Ellman and Barbara Santos

With all the craziness in the world today, I thought if everyone had the aloha spirit in them and treated others with aloha, the world would definitely be a better place. In my search for a book on aloha, I came across Mark and Barbara's book which I believe is the perfect book about the aloha spirit. It was published in 2010 and still is relevant today. Mark is a Maui chef who has opened about 17 restaurants in Hawaii, including the Maui Tacos chain. Currently, he and his family own Mala Ocean Tavern, Honu Seafood & Pizza and Frida's Mexican Beach House on Maui. He wrote two cookbooks, Maui Tacos Cookbook and Mala Ocean Tavern Cookbook. Barbara is an author of two cookbooks, Maui Onion Cookbook and Maui Tacos Cookbook with Mark, and currently is the marketing director of the San Francisco Writers Conference.

The book is a compilation of 140 "famous and not so famous" people's interpretation of aloha, with a foreword from noted author Dr. Wayne W. Dyer. As Mark mentioned in his [book launch](#), he knew what aloha meant to him, but he wanted to convey what aloha meant to people from all walks of life. The book is divided into seven sections: "Practice Aloha - Every Day, Practice Aloha - The Old Style Way, Practice Aloha - In The Kitchen, Practice Aloha - With Music, Practice Aloha - Around The World, Practice Aloha - On The Job, and Practice Aloha -

In A Spiritual Way. There are color pictures of the story contributors,



recipes, song lyrics, and of course, heartwarming stories. The following are some of the interesting tidbits of information from the book I

thought you would like.

Hawaii Revised Statute

[5-7.5] The "[Aloha Spirit](#)"

One of the first things that caught my eye in the book was that having and extending the Aloha Spirit is a state law! An excerpt from the Hawaii Revised Statutes on The Aloha Spirit is [available here](#). Amazing ... I guess we eventually will have laws governing everything we should do!

Helen Hunt

Actress Helen Hunt and her family enjoy visiting the islands and whenever they feel like they are getting all worked up and stressed about anything, they say, "Let's do it, aloha style." To them, aloha style means - "Slowly, gently, with peace in our hearts, softly, with love..."

Jimmy Borges

The late Jimmy Borges was such an icon and inspiration to many in Hawaii and I was happy to see the authors included in

their book what practicing aloha meant to him. To Jimmy, "Aloha is:

- Allowing others to express their own feelings without judgment.
- Being truthful - under all conditions and circumstances.
- Making the life of everyone you meet a little better because you "touched" them."

Jimmy lived his life with aloha and it would be amazing if all of us could follow his lead.

Danny Kaleikini

Known as Hawaii's Ambassador of Aloha, Danny Kaleikini has been entertaining and spreading the aloha spirit worldwide his entire life. He believes "Aloha is the breath of life and love that we share with each other."

"Aloha ke kahi. I ke kahi: Love one another."

"Aloha ke akua: God is Love - God is Aloha."

Recipes From Hawaii's Favorite Chefs

When I shared this book with Executive Director Kathy Castillo, she got really excited and hungry reading all the different recipes from Hawaii's favorite chefs in the Practice Aloha - In The Kitchen section. Since she likes simple recipes, her favorite recipe was Alan Wong's Kalua

Pig BLT as shown on this page. Others include author Mark Ellman's signature dessert Caramel Miranda, Sam Choy's Beef Stew, Beverly Gannon's Panko-Crusted Mahi-Mahi (over a garbanzo bean, portuguese sausage and manila clam stew), Peter Merriman's Grilled Ahi with Coconut Curry, D.K Kodama's Asian Crusted New York Steak with Tomatoes in Vinaigrette, and Jurg Munch's Firecracker Chicken.

"To cook with aloha means happy guests, and that is what we do. We make people happy." (Chef Alan Wong)

"For me, my late Mom embodies the meaning of aloha. She simply loved to give and to make other people happy. That is aloha to me." (Chef D.K. Kodama)

Summary

This book is uplifting, inspirational, informative and really powerful. From reading the online comments about the book, the authors have made a difference in this world and have successfully spread what it means to practice aloha. It is a great gift to someone who wants to learn about the "secrets to living life Hawaiian style," as well as read about some tasty recipes. An added bonus is a portion of the book proceeds go to Punana Leo O Maui, a preschool Hawaiian language immersion program.

In closing, like The Mana'o Company says in their song, I hope all of us "[Spread A Little Aloha](#) (Around The World)."

Kalua Pig BLT

1 onion bun
1 T. butter, unsalted
1-1/2 T. Boursin cheese, garlic flavor
2 pieces bacon, cooked
1 slice of grilled onions
½ c. Kalua pig
2 T. Lomi Tomato
1 slice Hamakua springs tomato
1 leaf Manoa lettuce

Cut onion bun in half. Spread butter on each half and toast on a griddle. When bun is grilled to your liking, spread Boursin cheese on each half. Layer bacon, grilled onions, kalua pig, lomi tomato, tomato slice, and Manoa lettuce on the bottom half of bun. Cover with top half of bun and enjoy!

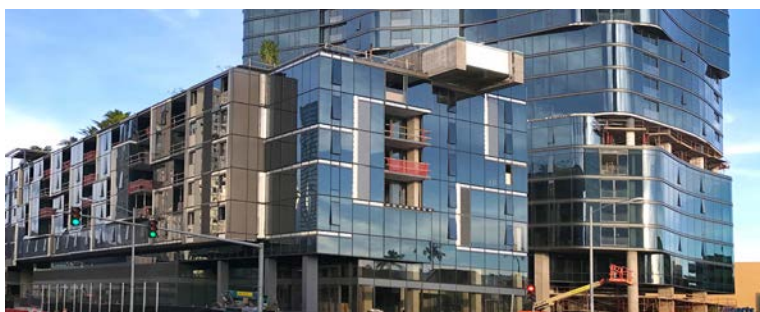


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CPA FIRM MICROCOMPUTER TECHNOLOGY

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



Beginning on October 17, 2017, Microsoft released a new version of Windows 10 called the Fall Creators Update (1709). It'll be a slow rollout that could take months before everyone gets it. The Fall Creators Update doesn't dramatically change the way Windows 10 works or looks. Useful changes include OneDrive Files On-Demand, better security, Microsoft Edge incremental

changes, and Cortana improvements. According to Microsoft, the requirements for running the Windows 10 Fall Creators Update are the exact same as the requirements for the standard version of Windows 10. Although, some of the new features will have additional requirements. Once the update is ready, you'll get a notification to download and install it. It's probably a good idea to make sure your computer is completely backed up before you install the update.

Be aware that with the new iOS 11 and Mac OS High Sierra (10.13) operating systems, which are 64-bit operating systems, many legacy (non 64-bit) applications will not run including Microsoft Office 2011 and earlier. Plan carefully before doing these updates.

Microsoft Office 2007 reached its End of Extended Support on October 10, 2017. Microsoft will no longer provide: technical support for issues; bug fixes for issues that are discovered; and, security fixes for vulnerabilities that are discovered. It is recommended that you upgrade as soon as possible, but before you upgrade, verify that your computer meets or exceeds the minimum system requirements for the new version. Options for upgrade include: upgrade to Office 365 ProPlus, the subscription version of Office that comes with many Office 365 plans (5 devices per license); upgrade to Office 2016, which is sold as a

one-time purchase and available for one computer per license; and upgrade to an earlier version of Office, such as Office 2013.

Microsoft has announced that on October 31, 2017, Office 365 Exchange Online will require a protocol (MAPI/HTTP) that Outlook 2007 does not work with. Additionally, Outlook 2010-2016 customers will need to ensure their version of Outlook for Windows is set up to support the new protocol and need to ensure their Outlook clients are not using a registry key to block MAPI/HTTP.

A new WPA2 security flaw puts almost every Wi-Fi device at risk of hijack or eavesdropping. The bug, known as "KRACK" for Key Reinstallation Attack, exposes a fundamental flaw in WPA2, a common protocol used in securing most modern wireless networks. The weakness can, at its worst, allow an attacker to decrypt network traffic from a WPA2-enabled device, hijack connections, and inject content into the traffic stream. What should you do? Don't use Wi-Fi connections for sensitive data. Check with your vendors for device and router updates, and use Ethernet connections for essential devices.

If you have any questions or comments call us at (808) 837-2507 or (808) 837-2517, or send email to ron@cga-cpa.com or joy@cga-cpa.com.

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Buying Your First Home

By Adrian Hong

Buying your first home is one of the most important and exciting transactions anyone ever enters into. It gives you a place to call your own while at the same time locking you into monthly payments for the next 15 to 30 years. One of the audit partners at my old firm used to joke that he loved when his audit staff used to get mortgages because it meant they couldn't run away.

Because owning your own home is the largest investment you have made up to that point, it is incredibly important to get it right. That fact can be very intimidating as the mortgage process is unfamiliar to the first-time homebuyer. To find out what first time homebuyers should consider, I interviewed Cynthia Okamura, assistant vice president & executive loan officer at Bank of Hawaii.

AH: How much of a down payment do I need to make to secure my first mortgage?

CO: The down payment requirement can vary. For example, a VA loan requires no down payment. We can finance 100% of the purchase price. Also, there are other programs that require a 3% down payment. Some of our buyers choose a first mortgage and stack it with a second mortgage to avoid mortgage insurance, which can reduce their payment and save them money. We have many options for

the down payment and will be able to assist the customer during the pre-qualification and determine their financing options.

AH: How much of my income should my mortgage payment be?

CO: The maximum debt ratio is normally 43 - 50% of your gross income, depending on the loan program. The lender will require a verification of employment and income to validate and determine the borrower's income.

AH: How long does getting mortgages usually take?

CO: The mortgage processing for a purchase is typically 30 to 45 days and a refinance 60 to 75 days. Please keep in mind that this can vary based on the review of the borrower's credit risk assessment and eligibility requirement. Also, any property issues could cause delays.

AH: What kind of documents do I need to apply for a mortgage?

CO: The documents needed are your last two paystubs, tax returns from the last two years, W-2s from the last two years and bank statements from the past two months. If the borrower is self-employed, we will need the business tax returns from the past two years and the year-to-

date profit and loss for the current year.

AH: What questions should I ask potential lenders?

CO: A couple of questions a borrower might want to ask are: "Do you have a first-time homebuyer program?" and "Do you have local servicing for the mortgage payments?" These questions relate to what is important to the borrower. For example, at Bank of Hawaii, we service our own mortgage loans so you don't have to worry about sending your payment to the mainland. Or, if you're a first-time homebuyer, look for a lender who will walk you through the process and provide you with discounts for first-time homebuyers.

AH: What is the most common problem encountered by people obtaining their first mortgage?

CO: Most common problems are related to their credit report and verifying the employment income. If you're thinking of buying a home, check your credit and deal with any errors or inconsistencies. Use credit, but pay off balances and try not to switch jobs too often. This shows that you are a reliable employee and are serious about owning a home. Also, having enough funds for the down payment is sometimes a challenge, but here in Hawaii, we find that family members will provide gifts to help.



TAX FOUNDATION OF HAWAII

Hawaii's Watchdog on Taxes & Government

By Tom Yamachika, President –
Tax Foundation of Hawaii

Fritz v. Department of Taxation, and Why You Should Care



Over the past several months, there has been a court fight brewing that could have changed how the Department of Taxation lobbies for

legislation.

That's right. Not only special interest groups and activists lobby for legislation. The Department does too. Every year, it introduces and strongly supports "Administration Bills." Many of these propose to make the Department's job easier, but at the expense of taxpayer rights. So it's important for taxpayers to keep tabs on how the Department is pushing these bills.

One example of the above kind of bill was HB 2396 / SB 2925 in last year's legislative session. If a taxpayer files an amended federal income tax return or is adjusted by the IRS, current law allows an extra year for the Department to assess additional tax or for the taxpayer to claim a refund. The bill provided that only the Department, and not the taxpayer, could take advantage of this "bonus time," which is usually needed because tax audits take a while to conclude. The Foundation was concerned that this legislation created a "one-way street," or procedural trap, that could allow the State to retain money to which it was not entitled under law.

Peter Fritz, an attorney who used to

work for the Department, tried to get the Department to disclose the letters, texts, and emails sent to legislators in 2009.

"Can't do," the Department said. "Work product paid for by taxpayers normally needs to be made public, but policy deliberations can be withheld, and these communications are in that category."

Fritz didn't agree, and asked the State Office of Information Practices (OIP) to rule on the matter. OIP ruled in Fritz's favor in 2011, ordering the Department to cough up the documents. The Department complied. But by the time it did so, it was years after the legislative session ended.

In the 2016 legislative session, Fritz tried again. The Department refused to provide documents relating to Administration Bills that it was then sponsoring, again relying upon the "deliberative process privilege" that the OIP had ruled in 2011 to be inapplicable. "Gotta do a case by case determination," the Department said. Fritz filed suit. In January 2017, well after the ending of the 2016 session, the Department "voluntarily disclosed" the documents, although explicitly saying that it "reserved any and all rights to withhold any other documents from disclosure on any and all grounds."

Those documents could have made a difference during session. When SB 2925, described above, was heard by the Senate Ways and Means Committee, then-Chair

Jill Tokuda and Majority Leader J. Kalani English were particularly interested in whether the bill was a solution in search of a problem. When they pointedly asked the Department about it at the hearing, the Department representatives professed ignorance. The records later turned over, however, clearly showed that the Department was reacting to a case involving only one taxpayer. The legislation, by the way, ultimately died.

In the lawsuit, Fritz asked the court to take positive steps so that the Department can't again play cat-and-mouse. The State, of course, maintained that once they turned over the documents, the suit can no longer exist because courts are there to decide actual controversies, not purely academic issues. The circuit court judge agreed with the State, and the lawsuit will soon be dismissed.

When the Department of Taxation states a position in a communication to the Legislature, the public is entitled to know what that position is. This is especially important with a complicated subject like taxation, where the public relies heavily on guidance and interpretations put out by the Department. (Other legislators do too.) And it is critical to have a fully informed debate when the Department tries to coax legislators to change the law in a way that would make its job easier at the expense of taxpayer rights and protections.

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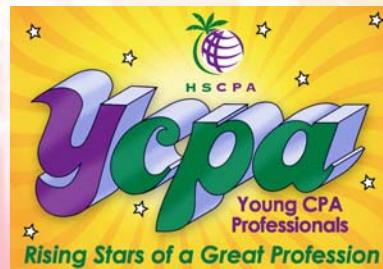
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Kimberly Ellison-Taylor, CPA, CGMA, is Chairman of the American Institute of CPAs. She is currently an Executive Director in Oracle's Global Industry Solutions Group. She is a sought after speaker and business development executive who works in the cross section of legislation and policies, business drivers and challenges, and the technologies that can reduce overhead costs and improve process effectiveness.

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