

May 2023

KĀLĀ

The Official Publication of the Hawaii Society of Certified Public Accountants

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President's Message

By Ryan K. Suekawa

With graduation season upon us, I thought it would be a good time to reflect on those happy moments when we all graduated from college and entered the full-time workforce. For me, it was a long time ago and after graduating with my accounting and management information systems degrees, I was excited and nervous to start my career in accounting.

In 2023, there will likely be over 100 accounting graduates from various Hawaii colleges earning their degree in accounting. Additionally, there will be many graduates with Hawaii connections graduating with accounting degrees from mainland colleges. And, while it is great to hear that we have so many new and eager accounting graduates, I've also heard quite a few business leaders asking if we have enough graduates to fill the need for accountants in Hawaii.

The U.S. Bureau of Labor and Statistics reports that employment of accountants and auditors is projected to grow by 6 percent between 2021 and 2031. On a local level, the State of Hawaii's Workforce Development Division's Hirenet Hawaii website reports that employment of accountants and auditors is projected to grow by 11 percent between 2020 and 2030.

As members of Hawaii's accounting community, I think it's important that we continue to remind our young students who are looking at career paths about the benefits of an accounting career. By doing so, we help pass along knowledge to the next generation. We can also encourage students to pursue a career in a stable and rewarding profession.

Here are a few thoughts to keep in mind when talking to students about deciding on a potential accounting career:

- Accounting can lead to a wide variety of career paths and opportunities: From entry-level accounting clerk to CFO

or partner, from nonprofits to government and all types of businesses. There are also choices between private and public accounting. Private, or corporate, accountants work for single companies. Public accountants work for companies that provide auditing, tax, advisory and consulting services to others or may work as independent accountants. While

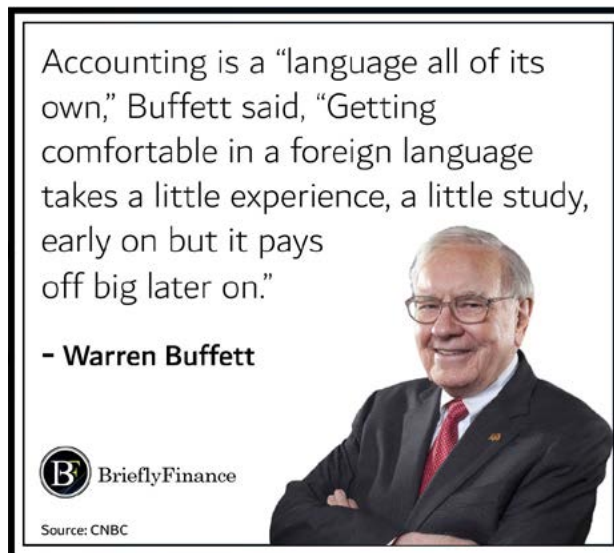
public accountants may work with a variety of businesses, corporate accountants become accounting experts in specific companies and industries, with a broad range of accounting, auditing, tax, and consulting duties.

- You will never stop learning. As an accountant, you will need to understand regulations or accounting guidance, which are always evolving. There will always be something new to learn, which will help you grow professionally. The use of IT, the

latest technology, or changes in the tax code are just a few examples to show the necessity for continuous professional learning.

- The accounting profession is respected and known for integrity and ethics. I might be biased, but accountants are respected business professionals, and accounting is known to be one of the most trustworthy professions. Accountants are a trusted advisor to others, and their opinions matter in making business decisions.
- Join a professional organization to keep abreast on the latest developments in the profession, to enhance your career, build and engage in networking with professionals, and especially to get involved in a profession that will reward you.

Again, please join me congratulating all our new accounting graduates. I think you recent graduates made a good choice in pursuing an accounting degree.





TAX FOUNDATION OF HAWAII

Hawaii's Watchdog on Taxes & Government



By Tom Yamachika

For a long time, Hawaii has had income tax incentives to encourage television, movies, and other productions to work their magic here in Hawaii. The production credit was enacted in 1988, at which time it was 4% of regular production costs plus 6% of transient accommodations, mirroring the GET and TAT rates at the time. The credit was gradually sweetened over the years and was boosted to 22% in Honolulu and 27% in any other county just last year (Act 217, SLH 2022).

This session, there is a bill threatening to make major changes to the tax credit scheme, [House Bill 1373](#). By the time this article goes to press, the Legislature will have finally decided what to do about this bill. But before then, we can describe what is happening with this bill, hopefully to prevent the same kind of hijinks from happening again.

HB 1373, as introduced, proposed a workforce development incentive as an alternative to the production credit because the latter is complicated, expensive, and time-consuming. As a practical matter it is tough to deal with unless your production is backed by a major studio. Thus, the incentive was proposed primarily for smaller, independent film and TV productions. That bill sailed through the House with minor amendments and crossed over to the Senate.

In the meantime, [Senate Bill 1237](#), as introduced, proposed establishing a Hawaii film commission that would replace the current Hawaii film office. That measure

passed the Senate economic development committee (EET) with no changes and headed to Ways & Means (WAM). After deferring the measure multiple times, WAM amended the bill to add two new provisions: a section allowing tax credits for building a film studio, and a section making extensive amendments to the administration of the existing production credit. This was done without the benefit of a public hearing, ostensibly because the bill was already heard in one previous committee. It crossed over to the House in that form, where the House economic development committee refused to hear the bill.

The Senate, apparently incensed over the roadblock in the House, took up HB 1373. It was not heard by its first assigned committees, EET and Labor, and was technically dead after the Second Crossover deadline. But the Senate revived it by re-referring it to joint consideration by WAM and EET. Those committees then shoved the studio credit and the production credit amendments into it. The bill did have a hearing, but on the version containing the workforce development incentive only. No proposed draft of the amended bill was released before the hearing. The new parts of the bill had not been heard at all.

Some further amendments were made on the Senate floor, and the bill went back to the House. Both chambers now need to appoint conference committee members to hash out the differences between versions, and that is where the bill stood as of the story deadline.

This bill now has problems. One of them is the lack of opportunity for public participation in two of the key parts of the bill as it exists now.

The second issue is the bill's title, "Relating to Workforce Development." The workforce development incentive clearly fits the bill's title. The other two parts, not so much.

Next, there are federal constitutional issues with the production credit amendments. The production credit as amended would give a 20% credit on out-of-state payroll and a 25% credit on in-state payroll, for example. That would be a problem under the U.S. Constitution's Commerce Clause, which basically says we're all Americans and States shouldn't be discriminating against each other. It's like telling Hawaiians from Papakolea that they're going to be taxed more heavily than Hawaiians from Waimanalo.

Note to lawmakers: There are reasons why our Constitution has public hearing requirements. Our supreme court banned gut-and-replacing for these reasons. Do you need more convincing?

Tom Yamachika is President of the Tax Foundation of Hawaii - the 'watchdog' that keeps an eye on Hawaii's taxes. Tom is also the owner of Aloha State Tax, a small law firm with emphasis on State taxes. Prior to going solo and the TFH, Tom was a principal with Accuity LLP where he managed the tax consulting practice, including quality and risk management and practice development.

How to Retain Top Talent

How to retain talent was a challenge before the COVID-19 pandemic. Talent shortages may be worse now. Losing the employees who produce the best value and sustain the business's competitive edge is a dreadful scenario for HR managers. However, successful companies have bold talent retention strategies; their best people stay by design, not by chance. According to a study conducted by McKinsey & Company, [talent is essential](#) to the growth and success of any company.

Top talent retention strategy is a classic theme in HR. Volumes have been written about the most effective ways to keep key players from looking for greener pastures. "You need big ears," says Jenn Saavedra, Dell's Talent & Culture VP. However, how do you gauge your employee's sentiment in the post-pandemic digital workplace?

The Fundamentals of Talent Retention

The golden principle for talent retention in human resource management is attention to the needs and expectations of the employees. First, design an attractive set of incentives and benefits for talent retention. Then, analyze

employee needs and the ability of the organization to meet such requirements.

The most prevalent method for retaining talent is monetary remuneration for above-average performance, extended metrics, and growth.

Talent Retention in the Digital Workplace

In today's digital workplace, talent retention has become even more important as the workplace has become more fluid and remote. Employees now have more flexibility in where and how they work and are more likely to change jobs if they feel unengaged. There have been stories of "quiet quitting" while the employee is still on your payroll.

Organizations that invest in talent retention help to keep their best employees engaged and invested in the company's success.

The Real Cost of Top Talent Turnover

Losing your top performers goes way beyond the cost of their replacement. Likewise, the consequences of top employees

leaving the workplace go far beyond a drop in output, productivity, and quality.

When an employee decides to leave, it often comes as a surprise to the company. Further, losing a person leaves an unplanned gap in the team. Suddenly, there is much more work for the rest of the group. Additionally, the company must scramble to find a replacement. There are additional costs in recruitment and hiring.

The costs associated with this disruption can be significant. On top of that, losing top talent can also damage the company's culture.

Four Best Practices for Retaining Top Talent in the Digital Workplace

Now more than ever, businesses must have a strategy to keep their top talent engaged. Companies should focus on providing new and exciting challenges and creating a positive work environment to retain top talent. Below are four practices that can help retain top talent in the digital workplace.

1. One-on-One Conversational Meetings

One-on-one meetings are essential for nurturing and sustaining a balanced digital workplace. They are the most direct way to assess work climate without a shared physical environment. These one-on-one meetings should not be transactional but conversational.

Management should not use one-on-one meetings to promote compliance but to understand the employee's circumstances and identify problems and areas of opportunity.

2. Digital Workplace Environment Analytics

Digital workplace environment analytics can help provide an overview of employee

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sentiment, deliver actionable data, and offer a view into the challenges faced by the organization's employees.

Analytics will help your company keep track of engagement scores and other metrics that can show if an employee is unhappy or not engaged. Once you see that an employee is disengaged, you can consider how to retain them.

3. Sponsor the Professional Growth of Your Top Talent

Finding ways to keep your top performers engaged in their work and feel like their skills are growing is critical to retaining them long-term. An excellent way to do this is to support their professional development.

One of the best ways to retain top talent is to invest in their professional growth. You can do this by offering training and coaching, sponsoring conferences and seminars, offer-

ing books with your company's flex account, or enrolling them in [coding boot camps](#) like Thinkful, [Springboard](#), App Academy, and [General Assembly](#).

4. Provide Meaningful Rewards and Recognition

Rewards and recognition do not have to be something expensive or extravagant. They can be as simple as saying "thank you" or writing employees' names on the wall for a well-done job. According to Deskera, [showing appreciation](#) is one of the significant ways to retain talent.

Make it a priority to recognize employees for their hard work and contributions. Make sure you're offering recognition that is meaningful to your employees. You can also offer rewards for employees to build motivation and engagement.

Summary

In today's highly competitive job market, it's more important than ever for organizations to retain top talent. Retaining talented employees can be challenging, especially for organizations with a digital workforce.

We are living in a fast-paced world where change happens at lightning speed. The digital workplace is no different, and it is a constantly evolving landscape. To retain top talent in this ever-changing setting, employers must keep their employees engaged and motivated through the best practices.

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[SSARS 25 – What You Need to Know](#) (2 CPE)

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[Proven Strategies to Leverage Automation & Outsourcing to Reduce Your Accounting/Tax Workload](#) (1 CPE)

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[How ESG Reports Can Help with Recruitment & Retention](#) (1 CPE)

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[Debt Financing for Industry](#) (2 CPE)

October 30

[Proven Strategies to Leverage Automation & Outsourcing to Reduce Your Accounting/Tax Workload](#) (1 CPE)

November 9

[Options to Automate Your Tax Preparation Workflow](#) (1 CPE)

December 21

[Understanding Your Cybersecurity Tech Options: How Non-Techies Can Mitigate Their Malware Risks](#) (2 CPE)

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CPA FIRM MICROCOMPUTER TECHNOLOGY

By Joy Takaesu of The CPA Collective



Shortly before Tax Day, Microsoft's blog issued a warning about a scam campaign targeting tax preparers. Scammers send emails posing as prospective clients, with a link to download what the scammer claims

to be tax documents. The scammers use legitimate click-tracking services and file hosting websites in order to slip past email filters. The malicious files are deceptively named to appear like tax-related files, but they are actually Windows shortcut files. If downloaded and run, the shortcut runs a script to retrieve and execute malware, while also opening a decoy PDF in order to avoid detection.

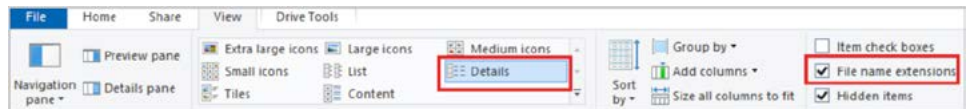
If you receive an email that seems suspicious, one thing to check is to do a search for phrases from the email. Often websites will report examples of scam emails that use similar wording. Microsoft included the text of an example scam email:

"I apologize for not responding sooner; our individual tax return should be simple and not require much of your time. I believe you would require a copy of our most recent year's documents, such as W-2s, 1099s, mortgages, interest, donations, medical investments, HSAs, and so on which I have uploaded below."

The email goes on to direct the recipient to download the files.

It is best to avoid clicking on email links or downloading unsolicited files whenever possible. If you use your own secure file transfer service, encourage clients and prospective clients to use that instead. If a file has already been downloaded, one general security recommendation is to keep File name exten-

sions visible, so that it's easier to determine the actual filetype of a suspicious file (Windows Explorer – View tab – check File name extensions). By default, Windows doesn't display filename extensions for known filetypes (e.g. .txt, .docx, .pdf).



For Windows shortcuts, however, Windows still does not display the file extension. In this case, the recommendation is to go Windows Explorer – View - choose Details, and double-check the filetype listed under Type. In Microsoft's example, the malicious files are deceptively named to appear like PDFs, and the ".lnk" shortcut file extensions are not visible under the Name column, but the Type column reveals the files to be shortcuts.

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2019_USFED..._1040PDF	18/02/2023 05:38	Shortcut	2 KB	
2020_USFED..._1040PDF	03/02/2023 06:58	Shortcut	3 KB	
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Spotlight on HSCPA's Surgent CPA Review Course Grant Recipient Cherrie Liu

By Kira Kaneshiro



The HSCPA is proud to partner with Surgent CPA Review to offer CPA candidates resources, including a grant to offset the cost of the Surgent CPA Review Course

and a free mock exam. I interviewed one of the first HSCPA DEI CPA Exam Review Course Grant recipients, Cherrie Liu, to learn about her experience preparing for the exams and how the resources available supported her in obtaining her CPA designation in March 2023. Cherrie is currently a Tax Supervisor at CW Associates, CPAs.

KK: Congratulations on earning your CPA designation! Why was becoming a CPA important to you?

CL: Becoming a CPA allows me to be more confident in my abilities as an accounting professional and fulfill a sense of achievement for my career.

KK: How did you decide to pursue a career in accounting?

CL: I started off as a part-time clerk in a small accounting firm in Philadelphia when I was in college, where I discovered my interest in data analytics and a passion for problem solving. I wanted to become a trusted advisor to others when they have to make business and/or personal financial decisions.

KK: How did you prepare for the CPA exam?

CL: For the one year that I was studying for the exams, I carved out two hours each day to study. I utilized the Surgent CPA Review Course.

KK: What was the significance of the Surgent

CPA Review Course Grant in helping you to obtain your license?

CL: The journey to obtain the CPA license by itself is a huge commitment and is stressful. The grant relieved my financial stress because CPA review courses are expensive in general, so I was able to focus on my studies and did not have to worry about paying off the expensive bill for the study material.

KK: Is there anything you would like to share with someone who is considering applying for the Surgent CPA Review Course Grant?

CL: If becoming a CPA is one of your personal/career goals ultimately, you should definitely take advantage of the Surgent CPA Review Course Grant. However, the journey to becoming a CPA requires dedication and persistence, so I think you should only apply for the grant when you are ready to be committed and be prepared to give up some of your leisure time.

KK: How did the mock exam help you to prepare for your CPA exams?

CL: Practice makes perfect! The mock exam allowed me to be familiar with the exam format and to gauge the time I would need for each section of the exam.

KK: Is there anything you would like to share with someone who is considering taking the mock exam – next offering is on June 22, 2023?

CL: Definitely take advantage of it if it is available. Not only it can help you to get familiar with the live exam situation, it also allows you to gauge your readiness to take the exam.

KK: What advice would you share with students or young professionals preparing for the exam?

CL: Choose the right study tool based on your study style and schedule; Set up a study plan/schedule and stick with it; Take advantage of any available resources, such as grants and mock exam opportunities; Let your friends and family to be part of the journey, it can eliminate distractions; Find study partners and/or mentor, so you can share helpful tips and provide emotional support to each other.

KK: What would you tell high school and college students considering a career in accounting?

CL: There are many different career paths in accounting. Don't be afraid to take on different opportunities, it will allow you to learn aspects of different accounting roles and help you to find the path you are passionate about.

Apply for the Surgent CPA Review Course grant! Click here to apply for the Surgent CPA Review Course grant. Submit completed applications to info@hscpa.org by June 30, 2023. Sign up for the next mock CPA exam!

The mock CPA exam uses actual multiple-choice questions and simulations to replicate the format of an exam section of your choice. Exam results are available in real-time and candidates receive their ReadySCORETM and a diagnostic report showing areas of strength and weakness aligned with the Uniform CPA Examination Blueprints. The next free virtual mock CPA exam is scheduled for June 22, 2023. [Click here](#) to sign up by June 16, 2023.



Why specialization is the key to firm growth

By Kalil Merhib of CPA.com

Personalization is no longer a ‘nicety’ for today’s sophisticated customers – it’s a requirement.

Leading-edge firms recognize this evolution and are creating tailored service offerings for clients. These firms are moving away from “generalist” services. [According to the 2022 CAS Benchmark Survey](#), 77% of the practices surveyed choose to specialize in one or more industries, rather than not specializing at all. We find that CAS practices are empowered to deliver deeper expertise and strategic guidance when they center key elements of their strategy around a particular industry vertical or micro-vertical. Incorporating specialization throughout the strategy including the tech stack, staffing strategy, client expansion strategy and more has enabled firms and CAS practices to grow at a rapid pace.

Types of Specialties

Building and growing a CAS practice with specialized services offers many benefits, but first, let me explain the two primary areas of specialization— practice area and industry vertical.

Firms that specialize in practice areas have expertise in how to offer and implement a particular service offering such as Financial Planning and Analysis (FP&A), Client Advisory Services (CAS), Sales & Use Tax, Cybersecurity services, HR consulting, and technology consulting.

Firms that specialize in industry verticals have deep knowledge of advising busi-

nesses in a particular market segment. Examples include restaurant/hospitality, agricultural, financial institutions, real estate, healthcare or professional services, among others.

Some firms have gone so far as to specialize in both a practice area and industry vertical, positioning themselves as leading subject matter experts in particular industries for specific services. For instance, a firm might specialize in outsourced accounting & CFO services for microbreweries, or SOC examinations for SaaS technology companies.

Increased efficiencies

Regardless of whether your firm decides to specialize in a practice area or a vertical or both, a key benefit is the opportunity to realize numerous operational efficiencies.

As staff is focused on just one industry or practice area, you’ll have more capacity to truly understand your client’s business – the important trends and sector disruptors, as well as their customers and competitors. You’ll also be better positioned to invest in new technologies and systems that create and enhance efficiencies. And since multiple clients will benefit, you can justify the time and expense associated with implementing new technologies.

Firm specialization also makes marketing your practice easier and more effective. You’ll know the right vernacu-

lar to target prospective clients and can achieve a higher return on investment on marketing spends because you’re focusing on the right messaging, channels, and keywords.

Improved quality

It’s no secret that specialists create higher quality output. By focusing on a specific service line or industry, you naturally establish a body of knowledge and deep expertise from your experience and repetition. It also results in a more consistent and quality work product and the ability to spot errors when they arise.

Technology also helps drive quality. Whether you automate work deploying robotic process automation (RPA) or other capabilities such as machine learning and artificial intelligence to process industry specific data, you remove the human (mistake-prone) element from the process, thereby increasing quality.

Greater Value

The ability to deliver clients insights on how their KPIs compare against industry benchmarks is a key value of specialization. Restaurant clients, for example, might be interested to know their competitors’ average check amount, tables turned per hour, peak traffic by meal and the takeout versus dine-in variation by day or time. Likewise, subscription or SaaS-based companies would be interested to see how they stack up against their industry’s customer acquisition cost, lifetime value of customers, customer

churn, and more. As a subject matter expert in your client's industry, you'll be well-versed in benchmarks, putting your services in high demand and positioning you well to charge a premium fee.

Find Your Firms Specialization

If your firm is offering general accounting services to a broad array of clients across a variety of industries, now is the time to assess how to focus on a few key specializations. Consider these steps to find your firm's specialization:

1. Assess your resources. Ensure your firm has the presence and reputation to specialize without overextending you or your staff. Also explore opportunities to partner with other firms to build a niche.

2. Be strategic in selecting your niche. Analyze your revenue to see if a particular type of client or industry is making up a significant portion of your

revenue – then spend more time developing business in this area. Consider also building a niche based on you or your firm's interests or hobbies – passionate employees deliver the best work.

3. Establish yourself as a subject matter expert within your niche. Learn the issues impacting your niche clients – then create a solution. Seek out opportunities to be a guest speaker or author for industry events or publications.

4. Ensure firm alignment. While your firm may have several focus areas, it's important that partners and staff understand the strategic vision and goals for the niche practice. To identify staff, it's not necessary to recruit those with your niche industry knowledge. Hire smart people and then teach them the industry.

5. Promote your specialization. Don't just rely on your reputation – brand-

ing and marketing should be critical components of your outreach strategy. Many specialized practices have also secured their preferred [.cpa web domains](#), including [dentist.cpa](#), [church.cpa](#) and [forensics.cpa](#), to promote their firm's services to target clients.

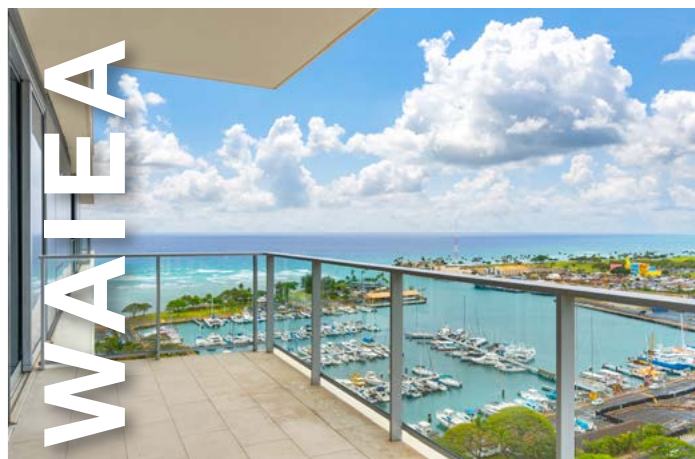
For more tips and strategies on how to accelerate your firm's journey towards a thriving CAS practice, leverage the following CPA.com resource:

- [Webinar: Delivering high value client advisory services \(CAS\) to the nonprofit industry](#)

Kalil Merhib is VP of Sales and Client Services, CPA.com. He is the leader of CPA.com's sales organization, and is responsible for developing and executing go-to-market sales strategy across the organization's product and services business lines to the CPA profession and adjacent professional markets.



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GIVE BACK DAY! at Ala Moana Beach Park

Giving Back to Our Community

HSCP's annual beach clean-up was held on April 22nd at Ala Moana Beach Park. Passionate professionals and accounting students rolled up their sleeves on a beautiful Saturday morning for a hands-on park cleanup. Volunteers scanned the beach and park areas to remove a LOT of litter. Many large and unique items included pillows, boogie/surfboards, blood pressure device, fishing supplies and much more!

Congratulations to team Numba One who tallied with the most items! Our special thanks to Island Plastic Bags, Inc. and CW Associates for sponsoring this worthwhile event!





Island Plastic Bags



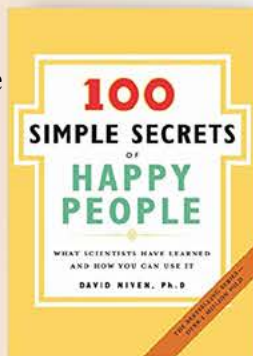
Norman's Book Review

"100 Simple Secrets of Happy People"

by David Niven, Ph.D.

The author is a social scientist and author of the 100 Simple Secrets series of books which have sold over one million copies and have been translated in 30 languages. I zeroed in on this book because I thought everyone would like to be happy. Although written in 2006, the "secrets" and research behind them are timeless.

David has a writing gift where he can simplify research information into compelling and easy reading summaries with a real-life example for each "secret."



Who is this book for? If you are a naturally happy person, the book will re-affirm and tell you why you are a happy person. If you want to be a happier person, this is the perfect book for you. If you are generally a negative person, this book will hopefully show you why being happier will improve your life and lifespan. I thoroughly enjoyed the book! It uplifted my spirits, especially the short stories of each of the secrets, and increased my happiness index. The following are 15 secrets from the book to give you a flavor of the book, and hopefully it lifts your spirits too!

Friendship Over Money

"The core factors in a happy life are



number of friends, closeness of friends, closeness of family, and relationships with co-workers and neighbors. Together, these features explain about 70% of personal happiness."

"Money is like a glove. Friendship is like your hand. One is useful, the other essential."

Money Doesn't Buy Happiness

In our increasingly materialistic and status-driven society, having money doesn't guarantee happiness and more money doesn't correlate to more happiness.

"A study of life satisfaction looked at 20 different factors that might contribute to happiness. Nineteen of those factors did matter, and one didn't. The one factor that didn't matter was financial status."

Laugh

Ever notice how you feel better when you laugh or are with someone who laughs a lot and is funny? It is not a coincidence. "Happiness is related to humor. The ability to laugh, whether at life itself or at a good joke, is a source of life satisfaction. Those who enjoy silly humor are 33% more likely to feel happy."



Listen To Music

I think we all know "music has positive effects for any age. But why? Music excites our mind, whether we are one,

41 or a 101. Our favorite music tends to transport our mind to its favorite place."

"A positive effect on mood was found on 92% of individuals when they listened to the music of their choice. Excitement and happiness were typical reactions to the music."

Never Trade Your Morals For Your Goals

Ethical and high integrity people know this very well. On the contrary, "people who compromise what they believe in to satisfy their goals, wind up dissatisfied with their accomplishment. If you are not moralistic, satisfaction is unattainable."

"Being happy and being moral buttress each other. People who feel they lack morals report they are half as likely to feel happy compared to those who feel they are moral." Be sure you earn your four hours of Ethics training this year!

Have Less Negative Thoughts

When you have free time to think, do you focus on positive things or things that upset you? If you focus more on the latter, remember this research finding: "those who regularly ruminate over negative subjects and unhappiness are 70% less likely to feel content than those who don't."



Accomplish Something Every Day

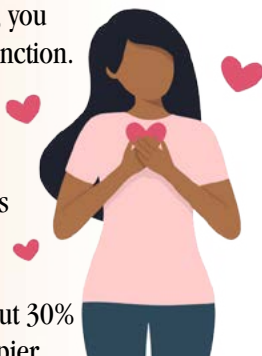
If you are an HSCPA member and reading this, odds are you were successful in college and found that accounting was your calling. Additionally, you probably felt happy with your choices and are generally content with your life. If this is true for you, you shouldn't be surprised.

"In research of college students, individuals were found to be happiest when they felt they were moving closer to achieving their goals. On the contrary, students who couldn't see progress were 3 times less likely to feel satisfied than students who could." If you have children in college, consider this significant finding.

Believe In Yourself

"Don't write yourself off. If you don't believe in yourself, you won't be able to function."

Across all ages and all groups, a solid belief in one's own abilities increases life satisfaction by about 30% and makes us happier both in our home and work lives."



Does Your Life Have Purpose and Meaning?

"One of the best predictors of happiness is whether a person considers his or her life to have purpose. Without a clearly defined purpose, 7 in 10 individuals feel unsettled about their lives; with a purpose, almost 7 in 10 feel satisfied."



Goals Should Be Aligned With One Another

For a smooth-running car, all four tires need to be aligned and pointing in the same direction. This is the same thing for our lives. "Life satisfaction was associated with the consistency of life goals. Career, education, family and geography were all important and added up to 80% of satisfaction. These goals need to be consistent with each other to produce positive conclusions regarding goal achievement."

Cultivate Friendships

Growing up in Hawaii, we develop close bonds with our classmates, neighbors, teammates, other family members, etc. We feel good about these connections. Research backs this up.

"Close relationships, more than personal satisfaction or one's view of the world, are the most meaningful factors in happiness. If you feel close to other people, you are 4 times as likely to feel good about yourself than if you don't feel close to anyone."

Turn Off The TV

Watching TV or media content on your computer/iPad can be costly. Remember the days before online shopping ever existed? You definitely had less empty boxes to throw away and more money in your account!

Seriously, research shows "watching too much TV can triple our hunger for more possessions, while reducing our personal contentment by about 5% for every hour a day we watch."

Have Realistic Goals

"People who can't attain their goals become consumed with disappointment. You must update your goals over time based on your life circumstances and your changing priorities and resources."

"If a person's goals are incongruent with their abilities, then the goals will contribute to disappointment and disagreeableness. It will quadruple the likelihood of being dissatisfied."



Volunteer

I think we all know it feels good to volunteer our time to a worthy cause. But, by how much? "Volunteering decreases boredom and creates an increased sense of life purpose. Volunteers on average, are twice as likely to feel happy with themselves as non-volunteers."

Enjoy What You Have

"In general, there is no correlation between happiness level and how much you have. People who like what they have, however, are twice as likely to be happy as those who actually have the most. Valuing what you have over what you don't or can't have leads to greater happiness."

Does ChatGPT Increase Cybersecurity Risk?

Photo by Pexels



The past chatbots had an eerie, inhuman quality that flared the senses. Does ChatGPT increase cybersecurity risk? Unfortunately, Chatbots reveal the results to any human observer. In addition to positive and negative job impacts, we have seen minimal security coverage in the current frenzy around ChatGPT. Bad actors use technology for evil. Accounting professionals use ChatGPT for good. How Is Generative AI Different Than Prior Artificial Intelligence?

The discomfort from old-generation artificial intelligence (AI) has dissipated. Machine learning, complex data set inputs, and up-scaled pattern recognition improve AI results. For example, ChatGPT, a large language model created by OpenAI, is fascinatingly extraordinary at emulating conversation — and it's still learning.

ChatGPT is a fundamental entry in generative AI technology exploding on the scene. These next-gen AI systems analyze enormous amounts of data, glean patterns quickly, and generate innovative ideas or content based on existing information. The coherency and accuracy in understanding a typed text and replicating human interaction with little delay may seem a relatively minuscule development. However, old-gen chatbots had a narrow purpose. The chatbots had a determinable quota in their conversational abilities. The creators of the generative AI algorithms have not throttled the answers and have few restrictions. As a result, products sometimes make up results (“hallucinating”). Since there are minimal limitations on text and image creation, this is a legitimate technological revolution.

As the successful implementation and launch of AI tooling take root in the mainstream, business owners and executives must remain ahead of the curve to protect their data. Protecting data requires collaboration with cybersecurity firms that incorporate AI into their protocols without disregarding the human factor in cyberattacks.

ChatGPT Can Both Help And Harm A Business's Cybersecurity

As technology advances, so do the techniques and tactics of cyber attackers. This constant game of cat and mouse requires businesses to partner with proactive firms, set out early traps, and remain vigilant for all future threats.

Generally, bad actors seeking access to information are looking for backdoors or other hidden entries, often made through human error or misjudgment.

As a result, computer systems and networks that store sensitive details and data are picked apart, damaged, or robbed of their information. The most common attacks in the traditional sense include phishing attacks, malware, and denial-of-service attacks (DoS). However, ChatGPT can provide innovative attack vectors.

The Human Element In Cybersecurity

Executives and IT teams should balance AI cybersecurity, like ChatGPT, and the human element when selecting cybersecurity consultants. The introduction of generative AI complicates phishing attacks even more so. Phishing attacks manipulate the human factor by posing as a trusted source. As a result, bad actors can procure sensitive information, including banking information, credit cards, passwords, and other data, with ChatGPT.

For example, an attacker could have an AI system analyze public social media information. Then, they could invent a parallel social media account undetectable from the original. Next, an attacker could elicit information from their target. Duplicating a social media presence also includes replicating or creating pictures, videos, or voice messaging. In turn, cybersecurity firms can help businesses use AI-powered phishing detection software. The AI platform can identify messaging patterns to alert human users of suspicious activity. The identification of these sophisticated attacks is made by analyzing both the content and context of the message sent.

Malware, or “malicious software,” comes in various forms, such as viruses, spyware, ransomware, Trojan horses, and more. These forms of malicious software tend to either slow down, damage, infect, steal, or collect user data without consent. As a result, computer systems, networks, or devices are vulnerable to attacks by malware. Users spread malware through email attachments, malicious websites, infected software downloads, and other means. In addition, computer viruses can replicate themselves and march on to infect other files like little toy soldiers, eventually causing damage to systems.

Partnerships Help Bolster Cybersecurity Measures

AI that prevents malware can also be used to train human users. Users can identify legitimate software more effectively. Early detection contains Trojan horses seeking to steal data or gain system access. As students in computer labs have often encountered, security methods act as bouncers. These security approaches block specific sites, not on the approved “list.” Advanced systems protect businesses intelligently.

The goal of protection is to establish and achieve effective security measures. Business owners must form partnerships with cybersecurity experts who understand the limitations of AI in terms of subjective reasoning and nuanced context. These partnerships allow businesses to implement dependable security systems. Security systems effectively shield their assets against potential cyber threats and ensure their

information’s confidentiality, integrity, and availability.

Summary

So, does ChatGPT increase cybersecurity risk? Ultimately, the personalization of cyberattacks is difficult to replicate through traditional computing systems. However, through AI, cyber attackers can use machine learning capabilities to impersonate others, spread disinformation, cause financial and systematic damage, and reveal large amounts of data. Therefore, business leaders seeking collaborations with cybersecurity experts should look to those offering layered protections. Cybersecurity experts are proactive and understand the risks. Further, cybersecurity providers stay current on the latest advancements that could impact cybersecurity and your data. Finally, the human factor, fooled by bad actors with AI-powered tooling, is a significant risk.

Need help learning how to solve your business's accounting technology needs and selecting the right software for accounting or CPA Firms? Visit us at k2e.com, where we make sophisticated technology understandable to anyone through our conferences, seminars, or on-demand courses.

The ideas in this article came from Greg Hatcher, CEO of White Knight Labs, who transitioned from the military in 2017. He dove headfirst into networking and then pivoted quickly to offensive cyber security. He has taught at the NSA and led red teams while contracting for CISA. In 2021 he joined forces with John Stigerwalt to start a boutique offensive cyber security consultancy called White Knight Labs.

ANNUAL ELECTION / BUSINESS MEETING

June 30, 2023

ELECTIONS

The Annual Election Meeting will be held virtually on June 30, 2023. Registered members will be e-mailed a Zoom link prior to June 30, 2023 – only Regular members are allowed to vote. Following the Election Meeting, installation of the new officers and directors will be conducted.

NOMINATING COMMITTEE REPORT

Pursuant to the provisions in Article VI, 6.1 of the HSCPA Bylaws, the Nominating Committee has submitted the following nominations for officers and directors of the Society for the fiscal year beginning July 1, 2023. If any nominee should for any reason become unavailable after notice of the election has been given, and if voting is not conducted by written ballot, then nominations for that office from the floor by any member in good standing who is present at the Annual Election Meeting shall be accepted.

ASSISTANT SECRETARY

Adrian K. Hong – Island Plastic Bags, Inc.

DIRECTORS (2023-2025)

Nelson K. Lau – University of Hawaii at West Oahu
Darryl K. Nitta – Accuity LLP
Grayson Y. Nose – CW Associates, CPAs
Natalie M.H. Taniguchi – American Savings Bank
Gordon M. Tom – Hawaiian Financial FCU

In accordance with the Bylaws, officers automatically accede to the next level of office to serve terms as elected or as designated, and the directors named below will continue to serve their terms as elected or as designated, or may be removed by a vote of at least two-thirds of the voting members present at a designated meeting. The President automatically becomes Immediate Past President when his/her term ends.

PRESIDENT

Ryan K. Suekawa – Deloitte & Touche LLP

PRESIDENT-ELECT

Franklin K. Kudo – University of Hawaii at West Oahu

SECRETARY/TREASURER

Chad K. Funasaki – N&K CPAs, Inc.

IMMEDIATE PAST PRESIDENT

Edmund N. Nakano – C.S. Wo & Sons, Ltd.

DIRECTORS (2022-2024)

Chantal A. Mentzer – Chantal Mentzer, Inc.

Norman N. Okimoto – Hawaiian Financial FCU

Joel C. Peralto – Peralto & Co., CPAs, Inc. PC

AICPA MEMBER OF COUNCIL

Ronald I. Heller – Torkildson Katz, ALC

Ryan K. Suekawa – Deloitte & Touche LLP

VIRTUAL



Annual Election / Business Meeting

JUNE 30, 2023 • 10:00 A.M. HAWAII TIME

MEET & GREET - LET'S CONNECT!

The Annual Election | Business Meeting will be conducted virtually.
We will be electing the 2023-2024 officers and directors,
and providing a professional issues update.

Receive one (1) CPE credit hour

**THIS IS A VIRTUAL EVENT, SO....
TURN ON YOUR CAMERA!**

Only Regular members eligible to vote.
Nominating report published in the May KALA.

AICPA MEMBERS OF COUNCIL



Darryl Nitta
HSCPA Director
HSCPA Past President



Trisha Nomura
AICPA Board
HSCPA Vice President



Ryan Suekawa
HSCPA President

**PROFESSIONAL
ISSUES UPDATE**

**happy
Friday!**

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VIRTUAL MOCK EXAM



The Uniform
CPA Examination®



Attention: CPA Candidates

FREE MOCK EXAM SESSION OPEN TO ALL

(CPA Professionals, too!) HSCPA Membership is NOT required You are invited to participate in a
LIVE, VIRTUAL Mock CPA Exam!

THURSDAY, JUNE 22, 2023 • 11:00 AM - 3:00 PM • HAWAII TIME

For many candidates, taking the CPA Exam can be one of the biggest obstacles to overcome when transitioning into the profession. Often aspiring CPAs are not sure if they are truly prepared to sit for each section.

In order to help provide more transparency into exam-readiness, HSCPA and Surgent CPA Review have partnered to offer a FREE simulated CPA Exam section of your choice.

The goal is to simulate the format of taking the CPA Exam, using actual multiple-choice questions and simulations. Questions are laid out according to the [Uniform CPA Examination Blueprints](#).

This live 4-hour session is a unique opportunity. Not only will you be able to experience a simulated exam section from the comfort of your own home or office, you will also be able to view your exam results in real-time, giving you a better understanding of how prepared you are to sit for the actual exam.

Candidates will receive their ReadySCORE™ along with a diagnostic report showing areas of strength and weakness which are aligned with the CPA Exam Blueprints.

To register, click on Register Here tab below. Deadline to register is June 14, 2023.

The email address that you use to register for this event will be used by Surgent to set up simulation. Links are unique to individual and cannot be shared.

Prior to the day of the mock exam, you will receive a registration email from "cpareview@surgent.com".
This will be your day-of access for the mock exam. CHECK YOUR SPAM/JUNK FOLDERS.

Register today - Deadline is June 14, 2023



REGISTER HERE

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