November 2026

KĀLĀ

The Official Publication of the Hawaii Society of Certified Public Accountants

HSCPA 66TH Annual Conference

Future in Focus



Neighbor Island Members: We're coming to see you!



Hawaii Practices for Sale

Hilo CPA Practice - $703K gross revenue: Revenue is nicely mixed between profitable tax (43%), accounting/bookkeeping (36%), and payroll (22%). Turn-key opportunity ideal for an experienced CPA.

For more information, please call 1-800-397-0249 or visit www.APS.net to see listing details and register for free email updates.

Thinking of Selling Your Practice? Accounting Practice Sales is the leading marketer of accounting and tax practices in the world. We have a large pool of buyers looking for practices as well as the experience to help you find the right fit for your firm and negotiate the best price and terms. To learn more about our risk-free and confidential services, call Ryan Pannell with The Holmes Group at 1-800-397-0249 or email Ryan@apsholmesgroup.com.

ACCOUNTING PRACTICE SALES
THE GLOBAL LEADER IN PRACTICE SALES

SELLING YOUR PRACTICE ALONE?



Put the Odds in Your Favor…
Call APS Today!

Scan Here

DELIVERING RESULTS - ONE PRACTICE AT A TIME

ACCOUNTING PRACTICE SALES
THE GLOBAL LEADER IN PRACTICE SALES

Ryan Pannell
Ryan@APS.net

800-397-0249
www.APS.net

KĀLĀ

The Official Publication of the Hawaii Society of Certified Public Accountants

Officers
President — Trisha Nomura
President-elect — Adrian Hong
Vice President — Chantal Mentzer
Secretary/Treasurer — Chad Funasaki
Assistant Secretary — Ryan Suekawa

Directors * 2026-2028
Grayson Nose
Norman Okimoto
Joel Peralto (Hilo)

Directors * 2025-2027
Ronald Heller
Jill Ishimitsu
Ed Nakano
Darryl Nitta
Natalie Taniguchi

Immediate Past President
Frank Kudo

AICPA Council
Frank Kudo (Designated)
Darryl Nitta (Elected)
Trisha Nomura (At-Large)

Executive Director
Kathy Castillo
Administrative Assistant
Debbie Cortes

Hawaii Society of CPAs
1000 Bishop Street, Suite 802
P.O. Box 1754
Honolulu, HI 96806
Tel: (808) 537-9475
E-mail: info@hscpa.org
Web: www.hscpa.org

This publication is designed to provide general information only, and should not be used as a substitute for professional advice. The authors and editors disclaim any liability for any loss or damage resulting from the use of any information or advice herein. Although a reasonable attempt has been made to be accurate, neither the HSCPA nor the authors and editors can guarantee that all information contained herein is correct as of the date of publication.

KALA (the Hawaiian word for money) is published periodically and is the official publication of the Hawai'i Society of Certified Public Accountants. Please direct all inquiries regarding editorial content to HSCPA, P.O. Box 1754, Honolulu, Hawai'i 96806.

November 2026

This Issue

President's Message 4
By Trisha Nomura

Best Deal! HSCPA Annual Conference 6

Webinar: CPE for the AI-Ready Accountant 7
By Rohan Singhai

Financial Red Flags 8
By Tom Yamchika

Social Security Announces 3.6% Benefit Increase 9

AICPA Fall Council Meeting Highlights 10

Meet the Pros Brings Students with Profession 12

Who Really Runs the Business? . . 15
By Arlene C. Guerrero

Norman's Book Review 16

Cybersecurity Starts Where the Money Moves 18
By Donny Shimamoto

Adopt Ailo and Study Buddy 20



President's Message

By Trisha Nomura

Thanksgiving is my favorite holiday. Often overshadowed by Halloween and Christmas, it means much more to me than sharing a turkey dinner and preparing for Black Friday shopping. It is an opportunity to reflect on all that we are thankful for—and a reminder to express that appreciation not just on one day, but throughout the year.

At the beginning of every year, I choose a word to guide me. This year, I chose "**gratitude**" and committed to living it intentionally in three ways:

1. **Shift my perspective when something negative happens.** One of my favorite local influencers on Instagram, @christeezeh, often says, "There are no bad days because bad days are a choice." I love this reminder because although I cannot control what happens to me, I can control how I respond.

2. **Take a moment every day to identify something I appreciate.** I typically do this during my morning walks, when I am alone outdoors before the day begins. No matter what is going on, there is always something to be grateful for.

3. **Communicate my thanks as often as possible**. Even more meaningful than *thinking* about what I am thankful for is *recognizing* the people I care about and letting them know how special they are.



And in that spirit, I would like to recognize two people who embody the gratitude I have been reflecting on throughout the year: **Kathy Castillo** and **Debbie Cortes**. They have worked for the HSCPA since 1995, and we have been incredibly fortunate to have these two exceptional employees serving the Society for 31 years. They work behind the scenes to make so much of what we do possible.

Whether they are tracking legislative developments, keeping us informed about technical and professional issues, coordinating member events, or helping us inspire the next generation of accounting students, we can count on Kathy and Debbie to make it happen.

One of the most impressive accomplishments of the last 31 years is the success of our Y-CPA Squad (now known as the Y-CPA Board). Kathy's commitment to engaging younger professionals in the Society led to the formation of the inaugural Squad in 2006, when only 15% of our members were under age 40.

Today, that share has grown to 29%, creating a strong pipeline of dedicated volunteers who give back to the community, recruit accounting students across the state, and become leaders in their firms, companies, and the profession.

Many state societies have a large staff to keep their organizations running; we have a staff of two.

I am sure Kathy gets a little nervous when I say, "So, I was thinking - what if we..." but she never fails to come through. Kathy and Debbie work tirelessly to bring our ideas to life and always rise to the challenge.

Kathy's impact also extends far beyond the work we do here in Hawaii. I have had the honor of attending many AICPA Council meetings, where I have seen firsthand the positive influence she has with executive directors across the country. Although our Society is small, Kathy makes us mighty. Her ability to leverage relationships at both the AICPA and state society levels has helped us in countless ways.



> *We're grateful to be able to serve the HSCPA membership for over 31 years!*
>
> *– Kathy & Debbie*

The HSCPA would not be where it is today without our powerhouse duo. They shy away from recognition and the spotlight, but they certainly deserve our heartfelt gratitude.

THANK YOU, Kathy and Debbie, for your many years of service, your commitment and loyalty to the HSCPA, and for being the driving force behind our success. We appreciate you!





What? You haven't registered yet?



The best deal in town for CPAs who want it all — next-level learning, real-world networking, and a full day of grind-worthy food and after-hours libations.

Step into the next era of the profession. Future in Focus brings CPAs and finance professionals together to explore the forces reshaping accounting — from profession transformation and the rise of the AI-Ready CPA to the evolving landscape of tax controversies impacting businesses.

Join industry leaders, innovators, and peers for a day of insight, strategy, and forward-thinking conversation. **Register here!**



Lexy Kessler



Rohan Singhai



Kalei Cadinha-Pu'a

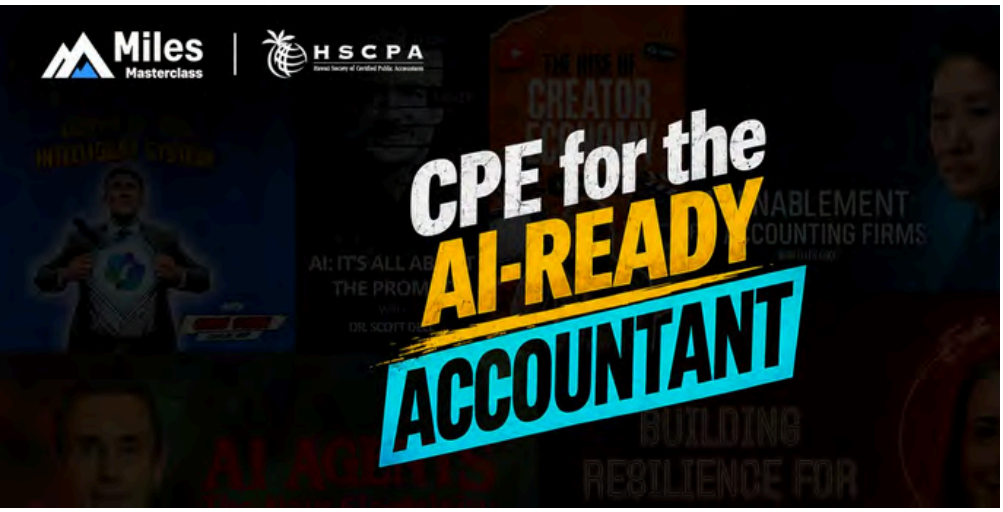


Tom Cullinan



Kurt Kawafuchi

AMERICAN Savings Bank
ADP
HAWAII TECH SUPPORT
Vertaccount Accounting Made Easy
WESTPAC® WEALTH PARTNERS PROTECT • INVEST • ACHIEVE



Sneak Preview Webinar

November 10, 2026

3:00 - 4:00 p.m. HST

THE AI-READY CPA: Mindset, Skills, Tools

Accounting is at a defining moment.

AI is already changing how audits are planned, how returns are prepared, how CAS teams serve clients, and how finance teams close the books. Knowing that AI exists is no longer enough. What matters now is knowing how to apply it in your own work, with the judgment the profession depends on.

This session explores what it really means to become an AI-ready Accountant, built on three foundations:

- **Mindset:** Why many firms and finance teams still struggle to move beyond experimentation, and the shift in thinking that turns AI from a novelty into part of how work gets done
- **Skills:** The capabilities that matter more as AI takes on routine work, including professional judgment, adaptability, data fluency, and ethical oversight
- **Tools**: Where AI fits across audit, tax, CAS, and corporate finance, from platforms most accountants already work in, such as Copilot, Power BI, Power Automate, and Copilot Studio, to how to decide when to buy an AI solution and when to build your own

Participants will also see the Miles AI-in-Accounting Competency Framework, a three-level path from individual AI-readiness to applied AI in everyday workflows to a firm-wide AI operating model, and how hands-on practice and CAIRA, the Certified AI-Ready Accountant credential, fit into that journey.

Register for this exciting webinar here.

Speaker

Rohan Singhai
Chief Growth Officer
Miles Masterclass

Want More?
Catch Rohan at the HSCPA 66th Annual Conference on November 13. He will be sharing more on how to become the AI-Ready CPA!





TAX FOUNDATION OF HAWAII

Hawaii's Watchdog on Taxes & Government

TFH is the 'watchdog' for Hawaii taxpayers' money. To support TFH's mission, please donate here.

Financial Red Flags

Recently, the nonprofit Reason Foundation published a *study of the fifty states' performance against financial metrics designed to assess a state's financial viability*. The foundation selected eight metrics and gave a red flag to indicate failing performance on that metric. The eight metrics were four long-term indicators and four short-term:

- Debt Ratio (total liabilities ÷ total assets): Entities should not hold more debt than assets.
- Unrestricted Net Position: Negative values indicate insufficient discretionary resources.
- Revenues Less Expenditures: Spending in excess of revenues leads to a deterioration of the balance sheet.
- Liabilities per Capita: Liabilities exceeding $10,000 per resident (or $20,000 per student for school districts) become increasingly difficult for taxpayers to service.
- Quick Ratio: Entities should hold at least enough liquid assets to cover bills scheduled to fall due over the next year.
- Quality of Receivables: If receivables are valued at greater than 30% of annual revenues, the entity may be experiencing difficulty collecting its assessments.
- Cash as Percentage of Assets: Holding less than 10% of assets as cash leaves governments vulnerable to cash crunches.
- Solvency Ratio (liabilities ÷ annual revenues): If liabilities are greater than double annual revenues, the entity's ability to issue new debt may be limited, and taxpayers may have difficulty servicing debt.

Twenty-three States studied (using 2023 financial data, the latest available for data comparison) took home no red flags at all. The worst performer, New Jersey, was awarded six red flags out of the eight possible. Connecticut came in second, with four. California, Hawaii, Illinois, Massachusetts, North Dakota, and Pennsylvania were each given three.Vermont, Washington, New York, and Delaware got two.

The foundation had this to say about Hawaii: "Hawaii faces long-term challenges and carries $27.5 billion in total liabilities, or $18,909 per capita. Although assets exceed liabilities overall, restrictions on the use of cash leave Hawaii's unrestricted net position negative at -$7.4 billion. Its cash assets amount to only 7.5% of total assets, although it holds sufficient cash to service current liabilities. Hawaii also boasted a healthy annual operating surplus of $2,566 per capita in FY23."

The part about a huge amount of liabilities per capita should surprise no one. Lots of ink has been spilled over the years about Hawaii's defined benefit retirement plan, and the EUTF that had promised health care for life to qualifying State retirees.

No one today offers that kind of health coverage, and there are very few employers who maintain defined benefit plans. They cost a lot of money even in good times, and cost even more in times of economic hardship.

Hawaii does have assets, but much of the cash is hidden in a honeycomb of special, revolving, and other non-general funds. If pressing, resource-intensive needs arise (think hurricanes, fires, or the Trump Administration rescinding federal money that our government was relying on), it is difficult or impossible to meet those needs by moving the money we have.
And, speaking of assets, according to the State's financial report (page 30), most of ours are in land, buildings, and infrastructure, not cash. It's difficult to respond to pressing needs with existing land and buildings. These would need to be sold to generate cash, which is a slow and inefficient process especially when we have the cash available but sitting in a well-hidden special fund account somewhere.

So, lawmakers? What can we do about this? Are you ready, willing, and able to tackle this problem, or pieces of it, for the benefit of us all?

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.

Social Security Announces 3.6 Percent Benefit Increase for 2027

Social Security benefits and Supplemental Security Income (SSI) payments for 76 million Americans will increase 3.6 percent in 2027. On average, Social Security retirement benefits will increase by about $75 per month starting in January.

Nearly 72 million Social Security beneficiaries will see a 3.6 percent cost-of-living adjustment (COLA) beginning in January 2027. Increased payments to about 7.3 million people receiving SSI will begin on **December 31, 2026.**



Other Annual Adjustments

Several other adjustments that take effect in January of each year are based on increases in average wages. For example, the maximum amount of earnings subject to the Social Security tax, known as taxable maximum, is slated to increase to $192,300 from $184,500 in 2027.

How to View Your COLA Notice

People with personal my Social Security accounts can view their COLA notices online starting in **late November**. Accessing the notice online is secure, convenient, and often faster than waiting for a mailed notice. Account holders can also choose to receive text or email alerts when a new message, including their COLA notice, is available in their personal my Social Security account Message Center. If you do not have a personal account, you will need to create one by November 18 to see your COLA notice online. Social Security will mail notices with updated benefit amounts to recipients not enrolled in paperless notices during the month of December.

Medicare Information

Information about Medicare changes for 2027 will be available on the Medicare website. For Social Security beneficiaries enrolled in Medicare, the 2027 benefit amount will be available in their personal my Social Security's Message Center starting in late November. Those who do not have an online my Social Security account will receive their COLA notice by mail in December.

How the COLA Is Calculated

The Social Security Act establishes the annual COLA is calculated. The adjustment is based on changes in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) as determined by the Department of Labor's Bureau of Labor Statistics.

You can find more information about the 2027 COLA here.

Fall Council Meeting

Highlights

The Fall Meeting of Council was recently held in Nashville, Tennessee, where Council members, state CPA society leaders, and accounting executives from across the country gather to discuss strategic priorities, profession-wide challenges, and future initiatives. Also, a shout out to Hawaii for receiving the Governor's proclamation of October & November a Accounting Opportunities Experience months!

Presentations and discussions included the CPA Trust Campaign, an AI-enabled profession panel, new AICPA technology tools and CPA community resources, and a preview of the Profession Ready initiative scheduled to launch in 2027. This is a research-backed initiative to identify early-career skills gaps for early career CPAs in an AI-driven marketplace.

The Hawaii delegation reconnected with friends, made new ones, had great conversations, and experienced Nashville's Broadway - Jon Bon Jovi's bar - and the Grand Ole Opry (thank you, Darryl & Jess!). Attendees were also treated to a private, live concert featuring the Old Crow Medicine Show.

Fun times in Music City!







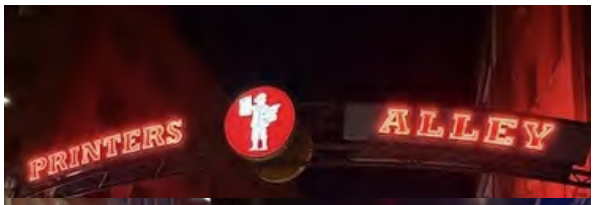


Leadership Academy

































Click on Sam to hear a clip of his hit debut at The Opry

Brings Accounting Students Face to Face with the Profession

Accounting students from UH Manoa, UH West Oahu, Kapiolani Community College and Leeward Community College traded their classrooms for an evening of networking and career development with professionals at the HSCPA's annual Meet the Pros Mixer event held at The Benue.

The evening kicked off with a dedicated student session featuring a panel discussion of CPAs, who shared their professional journeys and the diverse opportunities within the accounting field. Y-CPA Board Member Britney Delima skillfully emceed the event and contributed to the panel alongside fellow colleagues Adrian Hong, Evelyna Caldwell, Kent Kasaoka, and Evan Yamamoto. Donny Shimamoto, CPA.CITP, CGMA, guided the conversation through various career pathways in audit, finance, and tax, highlighting the broad spectrum of possibilities available to future graduates. He also showcased HSCPA's Agents of Transformation, demonstrating to students how an accounting background can open doors to endless professional horizons.

The core of Meet the Pros was its dynamic table-rotation mixer format. Students appreciated the opportunity to connect directly with accounting professionals representing local CPA firms, government agencies, and corporate accounting departments in a welcoming, relaxed environment. To further bridge the gap between education and employment, students submitted their profiles to a Resume Showcase, allowing attending professionals to scout top upcoming talent throughout the night.

The success of the event was made possible through the generous support of key sponsors, including Deloitte & Touche LLP, Accuity LLP, Becker, and IntrapriseTechKnowlogies. The evening livened up with exciting prize drawings for the students, thanks to generous donations from CW Associates, Fukuya Hasegawa Partners, KMH LLP, KPMG LLP, N&K CPAs, New City Nissan, and Verity CPAs.














Meet the Pro
MIXER








Meet the Pros – Fall 2026
Becker








Becker












Hawaii Society of CPAs


SCPA
Meet the Pros – Fall 2026
Becker
AGA
fei



Mahalo to Our Sponsors and Donors

Meet the Pro MIXER

Deloitte.

Becker

ACCUITY

INTRAPRISE TECHKNOWLOGIES

CW ASSOCIATES

FHP FUKUYA HASEGAWA PARTNERS, LLC

N&K CPAs, Inc.
ACCOUNTANTS | CONSULTANTS

KMHLLP

KPMG

New City NISSAN

Crowe TRUSTA
Audit - Tax - Advisory

VERITY
Certified Public Accountants



Who Really Runs the Business?

What Hawaii Buyers Should Know Before They Buy

By Arlene C. Guerrero of Xcllusive Business Brokers, Hawaii

Small businesses make up 99.3 percent of all businesses in Hawaii, and most are built around an owner who is still in the building every day. That involvement is often why they perform so well. It also means the seller's discretionary earnings a buyer reviews already include the value of the owner's work. Remove the owner, and someone must be paid to fill that role, out of the buyer's return.

Buyers with deep pockets can afford a manager. A first-time buyer, often using personal savings and a personally guaranteed loan, is usually better off working in the business first.

A CPA can help separate the business a client imagines from the business that fits. Three questions are worth raising early:

1. How many hours is the client prepared to work in year one?
2. Can the numbers support a manager's salary and still meet their income needs?
3. What is the plan if the business depends on its owner more than the listing suggests?

Buyers who answer those honestly find better fits, negotiate with more confidence and close with fewer surprises.

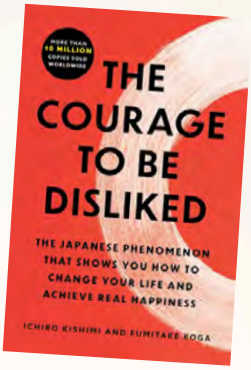
Source: U.S. SBA Office of Advocacy, 2025 Small Business Profile: Hawaii.

Arlene C. Guerrero, MSIE, is a Business Intermediary and M&A Advisor with Xcllusive Business Brokers in Hawaii.





Norman's BOOK REVIEW



THE COURAGE To Be Disliked

by Ichiro Kishimi and Fumitake Koga

The authors are supporters of Adlerian psychology, with Koga also wanting to convey Kishimi's interpretation of Adlerian psychology. Koga collaborated with Kishimi to share the latter's thoughts and ideas. They present Adlerian psychology through a dialogue between a philosopher and a young man, allowing the reader to learn along with the youth.

Adlerian Psychology

Sigmund Freud, Carl Jung and Alfred Adler are giants in the world of psychology. Adlerian psychology enjoys a broad base of support in Europe and the USA. I was not familiar with Alfred Adler and hence I was interested in learning more about his teachings.

Why Read The Book

As the book's introduction promises, you'll learn that the world is actually simple and that everyone can be happy. The author claims that people can change and find happiness, with **no exceptions**. It's a bold statement, but after reading the book, I can see how it could happen. The format, a book made up almost entirely of dialogue between two people, was a little challenging at first, but it was well worth it.

The following are some of the key points noted which will give you a good flavor of Adlerian psychology.

Past Doesn't Matter

Many people believe they are shaped by their past, but Adlerian psychology sets aside past "causes" and focuses on present

COURAGE 勇気

goals. You choose how you live now and in the future. As Adler put it, "No matter what has occurred in your life up to this point, it should have no bearing at all on how you live from now on." You are the one who determines your life, and the only one who can change yourself is you.

Life is Not a Competition

It's enough to just keep moving in a forward direction, without competing with anyone. There isalso no need to compare oneself with others. Human beings are all equal, but not the same. Treat everyone with sincerity.

Life Tasks

There are two objectives for behavior: be self-reliant and live in harmony with society**.** The two objectives for the psychology behind these behaviors are the consciousness that ***you have the ability*** and that ***people are your comrades***.

Separation of Tasks

Whose task is it? That is a crucial question because carrying out the separation of tasks is enough to change one's interpersonal relationships dramatically. All interpersonal relationship troubles are caused by intruding on other people's tasks, or having one's own tasks intruded on. Only doing your task and not other people's tasks is the first step toward lightening your load and making life simpler.

The Courage to be Disliked

Don't fear being disliked, because freedom means being disliked by others. The courage to be happy includes the courage to be disliked. Once you have it, your relationships will suddenly become lighter.

Horizontal Relationships

Building horizontal relationships with others is the foundation of Adlerian psychology. We should neither praise nor rebuke. Instead, we encourage people by expressing gratitude ("Thank you"), delight ("I'm glad"), or appreciation ("That was a big help"). The key is to avoid judging others, because judgment belongs to vertical relationships.

Just Start

Not everyone will be on the same page as you. Adler and the author's advice are the same: "Someone has to start. Others might not be cooperative, but that is not connected to you. With no regard to whether others are cooperative or not, ***Just Start***."

Community Feeling

A sense of community grows from three things: accepting yourself, trusting others, and contributing to others.

Workaholism is a Life-Lie

Workaholism is often seen as the price of success for professionals like CPAs, lawyers, and doctors, but it narrows life to a single focus. Workaholics use work as an excuse to avoid their other responsibilities, which Adler called a life-lie. A life devoted only to work lacks harmony.

You Can Be Happy Now

While every human being has the capacity for happiness, not every human being is happy. To be happy, a person needs to feel useful to someone, to sense that they contribute to the lives of others. That contribution need not be visible. Do you have that feeling?

Courage to be Normal

Since self-acceptance is such a vital first step, Adler believes one must possess the courage to be normal. If you do, your way of looking at the world will change dramatically.

Life is a Series of Moments

Adler held that life is not a straight line but a series of moments, each of them a "now." We can only live in the here and now. What has happened in the past has no bearing on this moment, and what the future may hold is not something to dwell on here and now.

Live Like You Are Dancing

Finding fulfillment in the here and now is a lot like dancing. With dance, the movement itself is the destination—you aren't trying to arrive somewhere else as a result of your steps. Yet, while entirely immersed in the moment, you never stay in the same place.

The Greatest Life-Lie

The biggest lie we tell ourselves is that the past and future matter more than now. Live each moment earnestly, and life becomes simple and complete.

Give Meaning to Your Life

Adler believes while life in general has no meaning, whatever meaning life has must be assigned to it by the individual.

Your Guiding Star

As long as you keep sight of the guiding star, "**I contribute to others**," you won't lose your way. Whether you're liked or disliked no longer matters, and you can live freely.

Summary

This book is potentially life-changing: it can simplify your life and bring more happiness and joy. It took me a while to read because Adlerian psychology was new to me and offered a very different way of looking at life. When I finished, I felt a lightness of spirit, and the book has genuinely changed how I see things. I was also drawn to it because I found it fascinating that an award-winning Japanese author (Koga) and a writer, lecturer, and counselor (Kishimi) collaborated on a book written as a dialogue between two people.



Cybersecurity Starts Where the Money Moves

Accounting and finance professionals can strengthen everyday controls to protect money, information, and operations.

A supplier provides new payment instructions. An executive requests an urgent bank transfer. A payroll administrator receives a password reset message.

Each looks like ordinary business. Each needs a control that works even when the request seems legitimate.



October's Cybersecurity Awareness Month offered a reminder: Protecting money, private information, and operations is part of accounting's everyday work. That applies across business and industry, government, nonprofits, and public practice.

We do not need to become cybersecurity engineers. We need to bring our understanding of risk, authorization, and accountability into the processes we manage.

Payment controls are cybersecurity controls

The FBI's 2025 Internet Crime Report records 24,768 business email compromise complaints and approximately $3.05 billion in reported losses.[1] Those figures reflect reports to the FBI's Internet Crime Complaint Center, not every loss nationwide.

A convincing message can redirect a legitimate payment without shutting down systems. The FBI recommends independently verifying payment requests and changes to account numbers or payment procedures.[2]

Make verification routine. Call a known contact using a previously verified number. Require a second approval for sensitive changes, and document verification before releasing funds.

Examine exceptions. Can someone override the process because an executive is traveling or a vendor demands immediate payment? Can one person change banking information and authorize the transfer?

Leaders should support employees who pause transactions to verify them, including requests that appear to come from leadership. Urgency should trigger scrutiny, not permission to bypass controls.

Ask for evidence

Ask technology colleagues who owns software updates, how urgent fixes are prioritized, and which devices or applications fall outside normal monitoring. If a system is too old to secure, who approves continued use?

Review access to banking, payroll, financial reporting, and document-sharing systems. Enable multifactor authentication, consider phishing-resistant options for sensitive applications, and limit access to what people need.[3] A transfer to a new role should trigger an access review, just as departure does.

By Donny Shimamoto
CPA.CITP, CGMA
Founder & Inspiration Architect
Center for Accounting Transformation



Convenience should not quietly become permanent authority.

Test recovery against business needs

A backup report saying "successful" does not establish how quickly payroll can resume or whether the accounting team can complete the close.

Identify processes that must continue during an outage. Estimate the consequences of interruption, including delayed collections, missed payments, overtime, and reconstructing records. Decide how long each process can remain unavailable. Then request a restoration exercise demonstrating usable data and an achievable recovery time. Include the people who will perform the work after systems return.

For payroll providers, cloud accounting platforms, and managed technology services, clarify responsibilities for access, backups, incident notification, and recovery. Establish what your team must do if a provider becomes unavailable before an incident forces those decisions.

Practice the response

Employees need to know how to report concerns quickly, without fearing that an honest mistake will become a public reprimand.

Run a short exercise: A payment reaches a fraudulent account, or staff cannot access payroll on processing day. Who contacts the bank? Who coordinates with technology specialists? Who authorizes operational decisions? Keep essential contact information accessible when email is unavailable.

For suspected business email compromise, the FBI advises contacting the financial institution immediately and reporting the incident to IC3.[2] Include those steps in your plan.

Choose one critical workflow and follow it through authorization, execution, and recovery. Identify a weakness, assign an owner, and set a date to verify improvement.

Accounting and finance professionals can help leadership understand what is protected, what could interrupt operations, and which action reduces exposure. Our contribution is making sure controls work when people need them.

Sources

[1] FBI, 2025 Internet Crime Report, pp. 7–8.
[2] FBI, Business Email Compromise.
[3] NIST, Multi-Factor Authentication, updated Jan. 5, 2026.

Build Your Cybersecurity Confidence

HSCPA members receive 20% off Center for Accounting Transformation products with code HSCPA-VIP20.

On Nov. 16, Donny Shimamoto presents "Understanding Your Cybersecurity Tech Options: How Non-Techies Can Mitigate Their Malware Risks." The two-hour webinar offers 2 CPE credits and helps participants assess protections and discuss remaining risks with technology advisers.

Explore the course and upcoming events

The Center's Small Office/Home Office Protection Package helps small- to medium-sized accounting practices identify cybersecurity protection suited to their services, technology, and budget.

Learn about the SOHO Protection Package

Donny Shimamoto, CPA.CITP, CGMA, is founder and managing director of IntrapriseTechKnowlogies LLC and founder and mission advocacy architect for the Center for Accounting Transformation.

OFFICIAL HSCPA MASCOTS

AILO AND STUDY BUDDY!

Smarter than your syllabus. Cuter than a Labubu.
And available to HSCPA members for a limited time!

Meet AILO and Study Buddy - official mascots of the HSCPA. Whether you're a student, a CPA, or just a fan of ridiculously adorable plushies for a bag, backpack, or desk companion, now's your chance to own them and spark joy.

What makes them special?



AILO* - HSCPA's Chief Friend Officer (CFO) - part plushie, part AI, all ❤ - is built on bytes and driven by purpose for a profession evolving with technology and heart.

Study Buddy is brains, beats and built-in vibes. Wrapped in a hoodie and wired into lo-fi loops, Study Buddy keeps your energy high and stress low.



They're HSCPA-branded sparking charm and fun!

*AILO ... Accounting Is Limitless Opportunities

Clip 'um
Keep 'um
Gift 'um