**University of Hawai`i at Mānoa
Shidler College of Business
School of Accountancy**

**Advisory Board meeting of 6/3/2015**

**Agenda**

Chair of the Advisory Board: Chair Fujii

Comments by Dean Roley and Associate Dean Chen

Hamid Pourjalali, Comments and opening discussion:

1) Summary report on Curriculum development, Hamid Pourjalali and Tom Pearson-

 Comments from the Board

2) PhD program, David Wang and Boochun Jung

 Questions/comments from the Board

3) Governmental Accounting: Edwin Young

 Comments from the Board

4) Construction Accounting, Carleton Williams

 Comments from the Board

5) CPA Review offering: Mary Woollen

 Comments from the Board

6) Board and Students

Faculty and Dean’s office depart at 8:30 a.m.

Governmental Accounting

**State of Hawaii Government**

*Topic: Governmental Structure, Budgeting, and Financial Management*

* Government funding and revenues: taxes, bonds, fees, grants, investments
	+ Government debt
	+ Role of credit rating agencies
	+ Types of funds: general, special purpose, enterprise, and proprietary

### *Topic: Governmental Accounting*

* Government budget process
* Governmental accounting

*Topic; Governmental Financial Reporting*

* Governmental financial reporting structure
* Financial statement format, definitions, terminology
* CAFR purpose, structure, and elements
* Circular A-133 reporting

*Topic: Governmental Auditing*

* Types of audits:  compliance, financial, attestation, and performance audits
* Audit process: entrance conference, preliminary survey, field work, draft report, quality assurance, exit conference, findings, recommendations, management comments, final report
* Elements of a finding

**City and County of Honolulu**

Topic: *Governmental Financial and Operational Challenges*

* + Opportunities for working for the government.
	+ Government financial management roles, responsibilities, functions, duties, and titles.
	+ Government and quasi-government entities

*Topic: Governmental Financial Management and Operations*

* + Financial management
	+ Cash, investment, and credit management
	+ Procurement, property, disposal, inventory, and supply management
	+ Collection systems, disbursements
	+ Internal controls
	+ Risk assessments
	+ Financial management systems

Topics: Governmental Ethics

*Topic: Public Accountability*

* + Performance measurements: inputs, outcomes, and performance analysis
	+ Government audit principles
	+ U.S. Comptroller General Government Auditing Standards (Yellow Book)
	+ GAGAS standards
	+ Institute of Internal Auditors Standards for Internal Auditing (Red Book)
	+ AICPA auditing standards and principles
	+ Governmental standards boards:  AICPA, GAO, IIA, Public Company Accounting Oversight Board, Federal Accounting Standards Advisory Board (FASAB), Financial Accounting Standards Board (FASB), Governmental Accounting Standards Board (GASB)
	+ Federal initiatives
	+ Role of professional organizations

**University of Hawaii**

*Topic: Government Financial Management Lifecycle*

* + Financial management systems
	+ Enterprise resource systems
	+ Internal controls
	+ Risk Assessments
	+ Contract administration and management
	+ Unfunded liabilities

**US Government**

*Topic: Federal Budget Process, Accounting, and Financial Management*

TBD

Suggested Faculty for

Governmental Accounting

Wes Machida

### Director of Finance

### [Department of](https://portal.ehawaii.gov/government/departments-and-agencies/) Budget & Finance

No. 1 Capitol District Building
250 South Hotel Street
Honolulu, HI 96813
Phone: (808) 586-1518
Fax: (808) 586-1976

### Email: hi.budgetandfinance@hawaii.gov

### Kerry Yoneshige

### Acting Director

### Department of [Accounting & General Services](https://portal.ehawaii.gov/government/departments-and-agencies/)

Kalanimoku Building
1151 Punchbowl Street
Honolulu, HI 96813
Tel (808) 586-0400
Fax: (808) 586-0775
Email: dags@hawaii.gov

Ron Shiigi
Administrative Deputy Auditor
Office of the Auditor, State of Hawaii
Phone: (808) 587-0822
Fax: (808) 587-0830
Email: rshiigi@auditor.state.hi.us

Jan K. Yamane

Acting State Auditor

Hawai‘i Office of the Auditor

Tel (808) 587-0800

Fax (808) 587-0830

Email: jyamane@auditor.state.hi.us

Roy K. Amemiya, Managing Director
530 S. King Street, Rm. 306
Honolulu, HI 96813
Tel (808) 768-6634

Fax (808) 768-4242

Email ramemiya@honolulu.gov

Nelson H. Koyanagi, Jr., Director
[Department of Budget and Fiscal Services](http://www.honolulu.gov/budget/)
530 S. King Street, Rm. 208
Honolulu, HI 96813
Tel (808) 768-3901

Fax (808) 768-3179

Email nkoyanagi@honolulu.gov

Charles W. Totto

Ethics Commission

Executive Director & Legal Counsel
715 South King Street, Suite 211
Honolulu, Hawai'i 96813-3091
Tel (808) 768-7786

Fax (808) 527-6936

Email ctotto@honolulu.gov

Edwin Young

City Auditor

1001 Kamokila Blvd., Suite 216

Kapolei, HI 96707

Tel: 808-768-3130

Fax: 808-7683155

Email; eyoung@honolulu.gov

Kalbert Young

## Vice President for Budget and Finance / Chief Financial Officer

University of Hawaii

Bachman Hall
2444 Dole Street
Honolulu, HI 96822

Tel (808) 956-8903
Fax (808) 956-5286

**Construction Accounting**

**(Suggested by Carlton Williams)**

·          Session 1 – Industry Overview and Roles and Responsibilities of the Financial Manager

·         Session 2 – Construction Financial Management Part 1

o   Accounting and Reporting Part 1

§  Unique Reporting Requirements

§  Income Recognition (Exercises)

o   Benchmarking

o   Cash Management

o   Banking Relationships

o   Bonding Relationships

·         Session 3 – Project Management

o   Estimating and Bidding

o   Contract Costs and Project Control

o   Change Orders, Claims, etc.

o   Project Completion

·         Session 4 – Insurance and Legal

o   Legal Issues

o   Organization Structures

o   Risk Management and Insurance

o   Surety

o   Human Resources

·         Session 5 – Construction Financial Management Part 2

o   Accounting and Reporting Part 2

o   Federal and Hawaii Income Tax

o   Hawaii General Excise Tax

o   Changes in GAAP

o   Conclusion

**University of Hawai`i at Mānoa
Shidler College of Business
School of Accountancy Advisory Board
Minutes of the School of Accountancy Advisory Board, March 18, 2015**

Attendees:

Board Members:

Terri Fujii (Chair), Isaac Choy, Brenda Cutwright, Calvin Hangai, Kent Kasaoka, Kurt Kawafuchi, Addie Lui, Gary Nishikawa, David Okabe, Donny Shimamoto, Karen Silverstein, Michael Tanaka, Gordon Tom, Carleton Williams, Edwin Young, Susan Hall (guest)

Faculty and Staff:

Hamid Pourjalali (Director), Shirley Daniel, Roger Debreceny, Tom Pearson, Mary Woollen, Manu Kaiama, Jian Zhou, Boochun Jung, Unyong Nakata, and Marlene Sagapolutele.

The meeting of the Advisory Board commenced at 7:40 a.m. Chairperson Fujii thanked everyone. Dean Roley then provided a report on fundraising, freshman admits, and Shidler College’s budget status.

The major agenda item for discussion was student’s exposure to governmental and non-for-profit accounting. The School reported its limitation in number of classes that can be required for an accounting degree. In addition to the principles of accounting, the School requires a total of 19 credit hours (Intermediate Accounting I and II, Accounting Information System, Auditing, Individual Taxes, and four one-credit-hour capstone courses). Three other undergraduate accounting electives are available for students: Taxation of Business Entities (primarily corporate tax), Law for Accountants, and Advanced Accounting. Most of the students taking the second tax course are either regular MAcc or 3/2 MAcc students.

The board discussed the necessity of offering the governmental and non-for-profit accounting course and considered some alternatives: continue the course as a 600-level graduate course, as undergraduate 400-level course that graduate students could still take, make multiple short courses (each one credit hour), and offering an executive course. The board discussed the implications of each alternative, such as the current offering as graduate course prevents undergraduate students from taking the class. Offering the course as undergraduate 400-level class would require moving another 400-level electives to graduate 600-level. While an executive offering might provide an alternative, it requires employers’ strong advocacy. Offering two-day courses (during the weekend) as a community service was also discussed.

As one alternative, student internships offered for up to 3 hours of credit might be linked to particular governmental or non-for-profit subjects, so students may be required to take a one-hour course before or during their internship. This would require appropriate coordination between the employers and the UHM internship office,

There was also discussion that because there was a limit on the number of credits that the students were required to take in order to graduate, the accounting the focus needed to be on basic accounting. Once the students have a strong technical foundation, they should be able to learn and pick up on industry differences.

The following summarizes topics covered by these alternatives. These topics include those that were provided to Director Pourjalali by board members after the meeting adjourned:

* Industry specialization
	+ Governmental/Nonprofit
	+ Construction
	+ Employee Benefit Plans
	+ Nonprofits
	+ Financial services
	+ Healthcare
* Functional specialization – audit related
	+ IT Risk Assessment (currently covered slightly in the audit classes, but one of the council members teaches an AICPA class that teaches scoping of the IT audit and linkages to the financial statement assertions.)
	+ Privacy
* Functional specialization – Controller/CFO related
	+ Financial Planning & Analysis  a (really hot area right now, one of the council members speaks at the AICPA conference for this which has been practically doubling in size in the last couple of years)
	+ Integrated Reporting, including Service Efforts and Accomplishments (GASB Concepts Statements #5)
		- This topic is starting to pick up again with sustainability and other environmental impact data becoming important.  We are also seeing increase usage of these types of principles in financial planning & analysis for corporate budgeting and forecasting that leverage non-financial data in the planning models.
	+ Privacy

AICPA is also offering 40 hour CPE with nonprofit focus (copied from the AICPA webpage):

The AICPA Not-for-Profit Certificate Program is a comprehensive on-demand experience that covers the essentials of NFP financial responsibility:

* Accounting and Financial Reporting
* Tax Compliance
* Governance
* Assurance

This 40-hour program is designed for professionals who work in or with the not-for-profit sector. Whether you are in a public accounting firm seeking to grow your not-for-profit practice or an organization seeking to establish your commitment to excellence, the NFP Certificate Program offers an affordable, dynamic learning experience that is available anytime, anywhere.

Students could be encouraged to take such classes. Students may be more focused on taking such industry sessions after starting work so that the classes focus on their current position.

The students are not necessarily aware of the different industries or career opportunities besides public accounting. The students may need more information in order to determine which industry focused classes they would be interested in. One member asked if the School of Accountancy ever conducted a career fair for accounting where you invite the specialty associations: CFMA, FEI, ISACA, IIA, AGA, etc. Have the various specialists give 30 min overviews of what their specialization entails, the kind of work that they do, etc., so that the students get exposed to the different career paths in accounting.

Course offerings could be in the form of:

1. Two 2 day non-credit executive education courses, because this would be the easiest for those already with a bachelor’s degree to attend.

This will help those who want to enter a particular workforce, transitioning from public to industry, or a Controller CFOs using the courses to help train their staff.

The course can be offered in a massive open online course (MOOC) format so it can reach a broader audience at a lower cost. This would help alleviate some of the cost concerns that came up regarding student (and firm/company) budgets.

1. One credit hours (15 contact hours) in the form of Acc 399 or Acc 690.
2. Free offering of the course to those interested. In such a case, the SOA and Shidler College covers the relevant costs.

At 8:35 a.m, faculty of the Shidler College were excused so that the Board could meet with representatives of BAP and Accounting Club. Students indicated that they would be interested in taking governmental and non-for-profit accounting. They also noted that:

* the faculty of School of Accountancy is motivated and enthusiastic,
* students have difficulty when the quizzes and exams do not follow what is in the textbook or homework assignments,
* they thought the credit requirements and the amount of work they needed to do was reasonable.
* they do not have much opportunity to learn about the different industries

Students were asked to rate the accounting program at University of Hawaii at Manoa on a scale of 1 to 10. The average rating was about a 7. The students were encouraged to continue the dialogue and to provide SOA with more feedback.  They were also invited to attend future meetings of the SOA Advisory Board.

The meeting adjourned at 9:00 a.m.