**University of Hawai`i at Manoa**

**Shidler College of Business**

**Minutes of the School of Accountancy Advisory Board, December 16, 2015**

**Attendees:**

Board Members: Terri Fujii (Chair), Manny August, Isaac Choy, Brenda Cutwright, Shawn Hasegawa, Dennis Isono, Brent Igawa, Kent Kasaoka, Addie Lui, Eric Matsuda, Gary Nishikawa, Dick Oshima, Lucas Sayin, Dean Shigemura, Michael Tanaka, Carelton Williams, Danny Wong, Edwin Young

Faculty and Staff: Vance Roley (Dean), Hamid Pourjalali (Director), Thomas Pearson, Mary Woollen, Jian Zhou, Shirley Daniel, and Marlene Sagapolutele

Guest: Michael McEerney, Regent, University of Hawaii at Manoa Board of Regent, Managing partner, McEnerney Shimabukuro Okazaki and Fujita, CPS, AAC., Kristi Lefforge, Director of Consulting Services with IntrapriseTechKnowlogies, and Christian Rossing from Copenhagen Business School, Denmark

The meeting of the Advisory Board commenced at 7:40 a.m.

**Reports from Dean Roley:**

1) AACSB Peer Review report: Dean Roley reported that his reading of the first draft of the report suggests that the College will do well in this review. He mentioned the peer review committee met and discussed accreditation with some of the members of advisory board for the College, as the accounting and business community are highly involved with both the School of Accountancy and Shidler College of Business.

2) December 19, 2015 is the University of Hawaii at Manoa Winter Commencement. On December 18, 2015, Shidler College of Business will hold a commencement reception for its graduating graduate students. About half of the Master’s students who will graduate at UHM are from Shidler College with MAcc, MBA, or MHR degrees. About a quarter of the undergraduates in UHM come from Shidler College. Shidler has grown from approximately 800 to about 1,100 undergraduate students.

**Reports from Director Pourjalali:**

Pourjalali recognized three new members of the School of Accountancy Advisory Board: Dean Shigemura, SEVP & Controller for the Bank of Hawaii, Dick Oshima, Managing Director and HAPA Oahu President, and Lucas Sayin Partner of Spire Hawai‘i LLP. Pourjalali also recognized visiting professor Christian Rossing from Copenhagen Business School.

Pourjalali reported about his visits with several firms in November. Compared to the last time that he visited these firms (August 2014), there was not a significant amount of negative feedback from the professionals. Main remaining concerns from these visits were related to the low CPA passing rate, lack of communication skills, and lack of knowledge of important topics such as IT Management and Governmental Accounting. Pourjalali shared his appreciation for the firms’ willingness to provide feedback and comments so School may improve further. He reported that he would continue his meetings with the firms that offer students internship opportunities and neighbor island firms.

He also reported that because of some stated concerns with SOA teaching quality, he requested help from the Advisory Board to provide feedback based on anonymous interviews with accounting students. The Chair of the Advisory Board then assigned a subcommittee (Danny Wong and Ross Murakami) and based on comments collected from students, some corrective measures have been implemented. Pourjalali reported that the School is still working on issues related to grade distribution and principles of accounting (ACC 201 and ACC 202).

It was also emphasized that as the CPA Exam will be changing to require more critical thinking, the School is trying to adjust its curriculum to prepare students better for the new exam while still covering basic skills that will be used in an accounting position.

In response to articulation concerns, Pourjalali and other SOA faculty members reported that accounting programs in UH have an annual system-wide conference (supported by HAPA and HSCPA) to make sure that the necessary coordination is taking place. Only ACC 201 and ACC 202 are accepted from Community Colleges. West Oahu undergraduate program is based on UH Manoa’s curriculum and UH West Oahu provides distance education to other UH units.

**Report of IT Risk Management for Non-techies from Kristi Lefforge**

Ms. Lefforge, Director of Consulting Services with IntrapriseTechKnowlogies, provided a report on the upcoming class called IT Risk Management for Non-techies. The 16 hour class focuses on IT risk. Professionals attending the program will earn CPE and UHM students may register for one credit. The class is offered on four Saturdays from 1:00 p.m. - 5:30 p.m. starting February 20, 2016. The cost for participants is $100 for professionals and $50 for students. Registration for the course will end on February 12, 2016 and as of December 16, 2015, there are 31 individuals registered.

Donny Shimamoto, Kristi Lefforge, Addie Lui, and a few other instructors will be teaching and constructing the curriculum as a team. Lui will be teaching on financial services and security. Elaine Kawashima, previously from HMSA, will be instructing the healthcare section. The instructor for the defense topic is still being decided.

**Day 1 & 2:** Designed such that the topics are applicable to any environment (not just within financial audit), and the focus is on lower complexity entities (which is what the bulk of non-IT-audit staff will be working on).

**Day 3:** Will take the initial environment, risk, and controls assessments and apply them to three different types of typical IT-focused engagements: standard audits, info sec reviews, and privacy reviews.

**Day 4:** Emphasis will be on how all of the previous days’ work applies in specific industry contexts. Industries that are commonly seen in Hawaii that have some unique compliance requirements (such as HIPAA for Healthcare and PCI DSS for hospitality) are chosen for this purpose.

A hands-on case study will be run throughout the class related to the topics taught in the class. On the last day of the course, students will present their report to an audit committee and will be given feedback. Homework is assigned throughout the course.

The course will be videotaped, and will hopefully soon be offered to neighbor islands online with 24 hour time lag. Pourjalali hoped that he could work with HAPA and HSCPA to make sure that the opportunity is available to other islands to provide CPEs.

**New Set of Courses**

Pourjalali reported that two new courses are being considered: Non-for-Profit and Construction Accounting. He mentioned that Chair Fujii will be coordinating the new Non-for-Profit class, and Mr. Williams will organize Construction Accounting.

**CPA Passing Rate and CPA Review Offering**

Mr. Williams reported that only 46% of those taking the CPA exam pass the exam in the State of Hawaii and the State is ranked third to the last. In order to prevent this from continuing, the School decided to hold free CPA Reviews. The first review session had over 120 people sign up, but the final class size dropped to mid 30s. To increase the number of those attending the class, the SOA has relaxed its attendance policy and will allow students be absent two out of eight sessions of the class. Pourjalali reported that as of December 15, 2015, over 50 individuals had already signed up for the next section (BEC). Registration closed on December 15, 2015, but was extended another week. The first session was taught by Robert Hatanaka. The next two will be instructed by Duane Seabolt.

At 8:30 a.m. Dean Roley, faculty members and secretary of SOA left so Board members can meet with five students representing BAP and Accounting Club. The Advisory Board members continued the discussion of the CPA exam with the students.