

ACT 138

S.B. NO. 3125

A Bill for an Act Relating to the State Foundation on Culture and the Arts.

Be It Enacted by the Legislature of the State of Hawaii:

SECTION 1. The auditor shall conduct a financial and management audit of the state foundation on culture and the arts that shall include but not be limited to determining:

- (1) The remaining balance within the works of art special fund;
- (2) The amount and source of funds transferred into the works of art special fund;
- (3) The total annual expenditures incurred for the acquisition of works of art;
- (4) The total annual operating costs, along with a detailed breakdown of these costs, for the state foundation on culture and the arts;
- (5) Costs associated with site modifications, display, and interpretive work for the exhibition of works of art;
- (6) Costs associated with upkeep services, including maintenance, repair, and restoration of works of art;
- (7) The methodology used for obtaining works of art;
- (8) The current inventory of acquired works of art under the control of and maintained by the state foundation on culture and the arts;
- (9) The methodology and systems currently used to monitor and secure the inventory of acquired works of art;
- (10) Best management practices for the state foundation on culture and the arts;
- (11) Whether the current, independent financial audit performed annually for the state foundation on culture and the arts, its affiliates, or pass through entities, is substandard; and
- (12) The specific amounts of money:
 - (A) Spent by the department of transportation on capital improvement construction for the enhancement of airport facilities;
 - (B) Being deposited into the works of art special fund as required by law; and
 - (C) Being used from the works of art special fund solely to purchase works of art for these airport facilities.

SECTION 2. The auditor shall submit a report of the auditor's findings and any recommendations regarding the financial and management audit of the state foundation on culture and the arts, including any proposed legislation, to the legislature no later than twenty days prior to the convening of the regular session of 2015.

SECTION 3. This Act shall take effect on July 1, 2014.

(Approved June 24, 2014.)