



NORTH DAKOTA OFFICE OF THE STATE AUDITOR

State Auditor Joshua C. Gallion

Judicial Branch

Audit Report for the Biennium Ended June 30, 2025

Client Code 180





WHAT WE LOOKED AT AND WHY

North Dakota state law requires that our team perform an audit once every two to four years. This included a review of financial transactions and determining that expenditures are correct. Our audit reports any errors, internal control weaknesses or potential violations of law identified in significant or high-risk functions of the agency.

WHAT WE FOUND

This audit did not identify any areas of concern.

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HAVE QUESTIONS? ASK US

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Introduction

▀ Judicial Branch

June 1, 2026

We are pleased to submit this audit of Judicial Branch for the biennium that ended June 30, 2025. This audit resulted from the statutory responsibility of the State Auditor to audit or review each state agency once every two to four years. The same statute gives the State Auditor the responsibility to determine the contents of these audits.

The primary consideration in determining the contents of these audits is to produce informative audits to improve government. Statutory audit requirements are an important part of these audits and are addressed by our standard audit objective. Whenever possible, additional audit objectives are included to increase responsiveness and effectiveness of state government.

Allison Bader was the audit manager on this engagement. Inquiries or comments relating to this audit may be directed to the audit manager by calling (701) 328-1073. We wish to express our appreciation to the Judicial Branch staff for the courtesy, cooperation, and assistance they provided to us during this audit.

Respectfully submitted,

/S/

JOSHUA C. GALLION
NORTH DAKOTA STATE AUDITOR



TERMS USED IN REPORT

Appropriation: An amount authorized by the North Dakota Legislative Assembly to be spent for a specific purpose.

ConnectND: The accounting system for North Dakota.

Internal Control: Policies and procedures that ensure reliable financial reporting, safeguard assets, promote accountability and efficiency, and prevent fraud.

North Dakota Century Code (N.D.C.C.): Collection of all the statutes passed by the North Dakota Legislative Assembly.

Performance Audit: Engagements that provide objective analysis, findings, and conclusions to assist management and those charged with governance and oversight to improve program performance and operations, reduce costs, facilitate decision making, and contribute to public accountability.

Sessions Laws: Published after each regular and special legislative session and contain the laws enacted during that session.



Audit Results

▼ PRIMARY OBJECTIVE

Are there any errors, internal control weaknesses, or potential violations of law for significant or high-risk functions of the agency?

CONCLUSION

No errors, internal control weaknesses, or potential violations of law were identified.



Audit Procedures

Primary Objective

SCOPE

The scope of this audit includes the financial transactions during the audit period of July 1, 2023, to June 30, 2025.

The Judicial Branch has operations in the following locations. Each location was included in the audit scope:

- The Judicial Wing of the State Capitol.
- 14 state-funded county offices: Stutsman, Cass, Ramsey, Walsh, Stark, Ward, Burleigh, Morton, Grand Forks, Richland, Rolette, Williams, Barnes, and McKenzie.

METHODOLOGY

To meet this objective, we:

- Interviewed appropriate agency personnel.
- Observed the Judicial Branch's processes and procedures.
- Analyzed financial data in ConnectND to determine areas of risk.
- Used non-statistical random sampling, and the results were projected to the population. Where applicable, populations were stratified to ensure the population was adequately represented in the samples.

INTERNAL CONTROL

We obtained an understanding of internal control through inquiries, observations, and inspection of documentations and electronic data records. We planned our audit work to

assess the design, implementation, and operating effectiveness of those internal controls that were significant to our audit objectives.

The specific internal control testing completed for this audit objective is identified below:

- Segregated preparation and approval of expenditures are tested statewide in the annual audit of the State of North Dakota Annual Comprehensive Financial Report.
- Selected a significant and stratified random sample of purchasing card transactions to ensure they were approved by the purchasing card administrator.

There were no deficiencies identified.

Expenditures

- Selected significant and stratified random sample of expenditures to determine recorded payments in the state's accounting system related to appropriation class, fund, and account were accurate. Additionally, verified the name and amount paid against the supporting documentation and determined the expenditures were reasonable (N.D.C.C. 54-44.1-09 and 44-08-05).
- Selected a significant and stratified random sample of purchasing card transactions to determine receipts were present to support individual purchase card expenditures and purchases were reasonable. Further, verified the cost distribution was consistent with the nature of the expenditure and the proper appropriation class, fund, and account were used (N.D.C.C. 54-44.1-09, N.D.C.C. 44-08-05, and OMB Purchasing Card Manual).
- Analyzed and selected a significant and stratified random sample of travel vouchers to ensure the claim

for reimbursement was not more than what is allowed by law. Additionally, determined the recorded travel expenditures in the state's accounting system related to appropriation class, fund, and account were accurate and the expenditures were reasonable (N.D.C.C. 44-08-03, 44-08-04.1-7, and 54-06-09.1-6).

Appropriation Limits

- Analyzed and tested expenditures to determine the Judicial Branch did not expend more than appropriated (N.D.C.C. 54-16-03).
 - 2023 Session Laws, House Bill 1002, Section 1.
- Analyzed accounts charged to each appropriation class to determine expenditures were not charged to an inappropriate class to circumvent appropriation spending authority (N.D.C.C. 54-16-03).
- Reviewed funds with non-appropriated fund activity to ensure the Judicial Branch had legislative approval for non-appropriated expenditures (N.D.C.C. 54-44.1-09).
 - Restitution Collection Fund (N.D.C.C. 12.1-32-08).
 - Court Facilities Improvement & Maintenance Fund (N.D.C.C. 27-05.2-08).
 - Attorney Recruitment and Retention Assistance Program Fund (N.D.C.C. 27-02.2-09).
- Reviewed credits to appropriations to determine the Judicial Branch was not at risk of circumventing appropriation authority (OMB Policy 214).

Appropriation for Legislative Purpose

- Analyzed and tested significant expenditures to determine compliance with the documented intent of appropriation adjustments and specific session laws

(N.D.C.C 54-16-03, N.D.C.C 54-10-01.1, 2023 Session Laws).

- Analyzed legislatively restricted funds and selected a random and significant sample of expenditures to ensure compliance with fund legislative fund restrictions.
 - Court Facilities Improvement & Maintenance Fund (N.D.C.C. 27-05.2-08).
- Analyzed and tested random and significant expenditures to determine the Judicial Branch spent \$1,153,720 of one-time funding on IT and other equipment during the biennium (2023 Session Law, House Bill 1002, Section 2).
- Reviewed financial data in ConnectND to determine \$53,036 of the available \$388,000 of one-time funding was spent for a study to reduce delays in criminal case processing during the biennium (2023 Session Law, House Bill 1002, Section 2).
- Analyzed payroll expenditures to ensure Supreme Court Justices each received \$179,312 in fiscal year 2024 and \$186,484 in fiscal year 2025. Additionally, verified the Chief Justice received an additional \$5,071 in fiscal year 2024 and \$5,274 in fiscal year 2025 (2023 Session Law, House Bill 1002, Section 6).
- Analyzed payroll expenditures to ensure District Court Judges each received \$164,532 in fiscal year 2024 and \$171,113 in fiscal year 2025. Additionally, verified that presiding judges received an additional \$4,675 in fiscal year 2024 and \$4,862 in fiscal year 2025 (2023 Session Law, House Bill 1002, Section 7).
- Analyzed and selected a random and judgmental sample of juror compensation expenditures to determine that jurors are being paid in accordance with

the updated rates. Specifically, \$50 for partial days (4 hours or less) and \$100 for full days of required juror attendance (2023 Session Law, House Bill 1002, Section 8).

- Analyzed and tested a significant and random sample of grant expenditures from the Court Facilities Improvement and Maintenance Fund to determine \$1,451,197 of grants were awarded to counties for essential remodeling or maintenance of facilities used for chambers, courts, and court-related services. Additionally, reviewed supporting documentation and the agency's court improvement grant award tracking worksheet to determine counties provided local funding of at least 25% of the total project cost. Lastly, determined these payments were recorded accurately in the state's accounting system related to appropriation class, fund, and account and ensured the expenditures were reasonable (2023 Session Law, House Bill 1002, Section 8).

- Reviewed appropriation adjustments to determine the agency received \$1,396,343 of Federal capital construction carryover funding for its Supreme Court docket system project. Additionally, tested a significant sample of expenditures to determine the Judicial Branch spent \$1,324,118 of the carryover funding and \$786,182 of general funds for a total of \$2,110,300 spent on the Supreme Court docket system during the biennium (Capital Construction Carryover; 2023 Session Laws, House Bill 1002, Section 4).

AUTHORITY AND STANDARDS

This biennial audit of Judicial Branch has been conducted by the Office of the State Auditor pursuant to authority within North Dakota Century Code Chapter 54-10.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those

standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

The standards used to evaluate internal control are published in the publication Standards for Internal Control in the Federal Government issued by the Comptroller General of the United States (Green Book, GAO-14- 704G).

Financials

Revenues and Expenditures

REVENUES AND OTHER SOURCES	JUNE 30, 2025	JUNE 30, 2024
Collection of Court Fees	\$581,196	\$250,645
Disciplinary Fees	245,264	261,947
Refund of Prior Biennium Expenditures	216,227	2,420
Intergovernmental Revenue	100,785	141,416
Miscellaneous Revenue	93,146	87,109
Revenue from Federal Government	54,285	339,254
Court Filing Fees	14,847	16,757
Transfers In	107,587	1,216,530
Total Revenues and Other Sources	\$1,413,337	\$2,316,078

Source: ConnectND Financials

Continued on the following page

Financials

Revenues and Expenditures

EXPENDITURES AND OTHER SOURCES	JUNE 30, 2025	JUNE 30, 2024
Salaries and Benefits	\$51,867,867	\$48,241,846
Operating Fees and Services	3,086,519	2,944,855
IT Software, Services, and Equipment	3,053,727	4,163,193
County Court Services Reimbursement	2,256,804	2,256,804
Software Maintenance	2,010,753	1,249,075
Professional Fees and Services	1,312,940	1,035,804
Travel	742,434	689,387
Professional Materials	616,179	328,329
Subscription-Based IT Arrangements (SBITAs)	556,955	588,459
Grants	460,375	990,823
Professional Development	334,744	299,767
Supplies and Equipment	281,639	330,665
Repairs	123,224	102,967
Lease and Rent of Buildings, Rooms, and Equipment	42,081	40,531
Total Revenues and Other Sources	\$66,746,241	\$63,262,505

Source: ConnectND Financials

Appropriations

For the Biennium Ended June 30, 2025

ITEM	FINAL APPROPRIATION	EXPENDITURES	UNEXPENDED APPROPRIATIONS
Expenditures by Line Item			
Supreme Court			
Salaries and Wages	\$13,607,666	\$13,303,755	\$303,911
Operating Expenses	4,235,259	3,550,615	684,644
Capital Assets	853,618	804,766	48,852
New and Vacant FTE Fund Pool	509,667	-	509,667
District Court			
Salaries and Wages	86,584,834	85,483,254	1,101,580
Operating Expenses	23,278,619	22,302,305	976,314
Capital Assets	1,845,220	1,555,045	290,176
DC - Judges Retirement	177,340	148,633	28,706
Judicial Conduct Board			
Judicial Conduct Board	1,471,027	1,361,425	109,602
Totals	\$132,563,250	\$128,509,798	\$4,053,452
Expenditures by Source			
General	\$129,410,704	\$125,847,822	\$3,562,882
Federal	2,618,885	2,176,083	442,802
Special	533,661	485,893	47,768
Totals	\$132,563,250	\$128,509,798	\$4,053,452

Source: ConnectND Financials




Office of the
State Auditor

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