

FINANCIAL-COMPLIANCE AUDIT  
Judicial Branch

For the Two Fiscal Years Ended June 30, 2012

DECEMBER 2012

12-27

REPORT SUMMARY

The Judicial Branch’s (branch) main operations consist of the Supreme Court and district courts. The Supreme Court has general supervisory control over all other courts in the state. The branch can improve internal controls to comply with federal regulations and properly record all revenues and expenditures on the state’s accounting records.

**Context**

The judicial power of the state is vested in the Supreme Court; district courts in the 22 judicial districts; the Workers’ Compensation Court; the Water Court; courts of limited jurisdiction; and any other courts established by law. Branch operations only include the Supreme Court, clerk of the Supreme Court, the Water Court, district courts, the state law library, and the computer technology of all courts of limited jurisdiction. District Court operations account for 70 percent of the branch’s activity. Of the branch’s 410 full-time equivalent staff, 311.5 work in the 22 judicial districts.

The 2005 legislature passed the Drug Offender Accountability and Treatment Act recognizing that district courts and courts of limited jurisdiction have a jurisdictional basis to implement drug treatment courts, in an effort to reduce recidivism and restore drug offenders to being productive law abiding and taxpaying citizens. During the audit period 18 of the 25 state drug treatment courts resided in district courts.

**Results**

This report contains five recommendations on improving compliance with state and federal laws and regulations. Additionally, the branch did not record all revenues and expenditures associated with drug treatment court fees on its accounting records, and misclassified over \$400,000 of activity expenditures on its financial schedules each fiscal year.

Recommendation Concurrence	
Concur	4
Partially Concur	0
Do Not Concur	1
<b>Source: Agency audit response included in final report.</b>	