

SETTLEMENT REVIEW FOR AUDITING

First Annual Settlement

- Does beginning balance recap match Inventory?
- Does verification(s) of value of assets on the date of letters match values shown on Inventory? If not, is entry shown to adjust to correct balance?

Review Last Settlement

- Does beginning balance recap match ending recap from prior settlement?
- Any notes on items to be shown on next settlement (checks, refunds, expenditures)?
- Does settlement start where last settlement ended? (time period, check numbers, income deposits, care/rent payments)

Income

- Deposit shown every month for regular income?
- Full amount deposited?
- If real property is being rented, check for rent deposit each month
- There is no need to triple-enter for interest earned which is deposited to another account (i.e. interest earned on CD which is deposited to checking account only needs to be accounted by showing the deposit to the checking account. You do not need to show a separate double-entry of the interest being earned on and paid out of the CD.)

Check Numbers

- Listed in order?
- Any missing in sequence?
- Show voided checks so we don't have to question why the check isn't shown. If a check has not cleared the bank, it is helpful to still list check number with a notation that the same will appear on the next settlement.

Review Expenditures

- Check for payment of facility/rent/mortgage for every month
- Each expenditure should state payee (as shown on check) and a description to explain expenditure
- Look for items not allowed such as ATM withdrawals, electronic transactions, overdraft fees, and reimbursement/payment to conservator or PR or other individual (without court order)

Compare Court Orders Settlement Expenditures

- Allowed by support order or other court order?
- Are all entered court orders shown as having been paid?
- Does payee match court order?
- Does amount paid match amount allowed per court order?
- If payment made outside of estate, receipts will need to be provided
- Total the amounts spent in each category of the conservator's support order for the year to make sure they do not exceed amounts allowed

Compare Verifications to Settlement

- Bank statements:
 - i. Titled in conservatorship or deceased estate?
 - ii. Account numbers accurate?
 - iii. Check all deposits, fees, electronically processed checks (needs to show check number, payee and amount) and other electronic transactions (payee and amount), verify ending balance shown on settlement
 - iv. If bank statement is a computer print-out, it needs to show the bank name, account number, and be signed by bank representative.
 - v. If payee shown for an electronic transaction isn't clear or if there is no payee shown on a cancelled check, a receipt will be required
- Checks: verify date written, payee and amount
- On CD's make sure all interest that should be earned is shown as deposited; verify ending balance
- Investment accounts: transactions shown on settlement; adjustment for change in market value; verify ending balance
- Life insurance policy: show increase in value of surrender or cash value

Personal Property

- Check for court orders allowing any sales, transfers or abandonment
- If personal property was sold, is there a double entry to account for deposit of sale proceeds and to remove value from assets?
- Is there a double entry for purchases of large items to add them to assets?
- Taxes and insurance, if applicable, paid?

Real Property

- Check for court orders allowing any sales, transfers or abandonment
- If real estate was sold, compare HUD settlement statement to entries
- If a mortgage is being paid, make sure there is an entry for increase in equity and compare to mortgage statement balance
- Taxes and insurance paid?

Restricted Accounts

- Verify type of account (no account can be restricted if checks can be written on the account, such as money market accounts)
- Check for withdrawals made without court order (this includes bank fees)
- If a restricted CD matures and is rolled into another CD with a different account number, a new verification of deposit in restricted account must be filed

Bond

- Premium paid? If paid outside of estate, receipt will be required
- Review amount of bond and ask Commissioner if it needs to be increased or decreased

Totals

- Ending total of debit column (beginning balance + income shown in column)
- Ending balance should equal total of ending recapitulation
- It is preferred that settlements end on the end date of the bank statement closest to the anniversary date, rather than splitting transactions out on the bank statement.

Minors

- If vehicle purchased, require: copy of title to verify owned by conservatorship, entry on settlement must state make, model and VIN
- If there is a court order for all Social Security to be paid to parent, a receipt needs to be filed stating full amount received and that the same was used for care and maintenance of the minor