



*Tennessee Department of Transportation  
Office of Internal Audit*

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*Government Accountability Professionals*

Audit of the Acquisition and Property Management Process  
at the Regional Right of Way Offices

FINAL REPORT

Date Issued:  
December 28, 2012

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*The mission of the Office of Internal Audit is to provide objective analysis and information critical to better decision making and enhancing the overall governance capability within the Tennessee Department of Transportation.*

**EXECUTIVE SUMMARY**  
December 28, 2012

Results in Brief	Recommendations										
<p>An audit of the Acquisition and Property Management process at the Regional Right of Way Offices was conducted.</p> <p>Audit objectives and conclusion were as follows:</p> <ul style="list-style-type: none"> <li>• <i>Were controls in place to ensure proper monitoring of consultants at the Regional Right of Way Offices?</i></li> </ul> <p><b>Generally no.</b> Inconsistent consultant monitoring activities have resulted in delays for closing right-of-way acquisitions.</p> <p>See Observations A and B.</p>	<p><b>Summary of Property Closing Activities:</b></p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th style="text-align: center;">Average Days from Issue of Warrant to Closing</th> </tr> </thead> <tbody> <tr> <td>Region I</td> <td style="text-align: center;">122 Days</td> </tr> <tr> <td>Region II</td> <td style="text-align: center;">11 Days</td> </tr> <tr> <td>Region III</td> <td style="text-align: center;">74 Days</td> </tr> <tr> <td>Region IV</td> <td style="text-align: center;">17 Days</td> </tr> </tbody> </table> <p><b>Key recommendations of this report include:</b></p> <ul style="list-style-type: none"> <li>• Utilize in-house transportation personnel to perform right-of-way closings.</li> <li>• Discontinue the practice of utilizing escrow accounts for consultants.</li> </ul>		Average Days from Issue of Warrant to Closing	Region I	122 Days	Region II	11 Days	Region III	74 Days	Region IV	17 Days
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Region I	122 Days										
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**TABLE OF CONTENTS**

**INTRODUCTION .....4**

**AUDIT INITIATION..... 4**

**BACKGROUND ..... 4**

**OBJECTIVES AND CONCLUSIONS ..... 5**

**OBSERVATIONS AND RECOMMENDATIONS.....6**

*A – The use of Consultants resulted in Closing Delays. .... 6*

*B – Irreconcilable Consultant Escrow Accounts..... 7*

*C – Misuse of the Right of Entry Option..... 8*

*D – Staffing Shortages at Regional Right of Way Offices.... 9*

**GENERAL AUDIT INFORMATION..... 11**

*PROFESSIONAL STANDARDS..... 11*

*SCOPE AND METHODOLOGY..... 11*

*CRITERIA..... 11*

*STAFF ACKNOWLEDGMENT..... 11*

**APPENDIX A. STAFFING ANALYSIS ..... 12**

**APPENDIX B. MANAGEMENT RESPONSES ..... 13**

# INTRODUCTION

## AUDIT INITIATION

The audit of the Acquisition and Property Management process at the Regional Right of Way was initiated at the request of the Regional Director for Region III. Additional work was conducted at the request of the Transportation Chief-of-Staff, once the initial fieldwork revealed areas of concern.

## BACKGROUND

The Right of Way Division is responsible for the appraisal and acquisition of land needed for state highway constructions and the relocation of families and businesses affected. This division is also responsible for the coordination and relocation of utility and railroad facilities necessary for highway construction projects. This division develops the policies and procedures implemented by the regional field offices in acquiring rights-of-way, and are made up of the following offices, namely: *Utilities, Appraisal, Acquisition, Relocation, Excess Land, and the Engineering Office*. The audit focused on the processes employed at land acquisition and property management offices.

## OBJECTIVES AND CONCLUSIONS

1. *Were controls in place to ensure proper monitoring of consultants at the Regional Right of Way offices?*

**Generally no.** Results of the work performed have indicated issues associated with the oversight of contracted consultants. The first issue noted related to the timeliness of closing activities. The review disclosed that Region I and Region III closings were not always performed within 45 days of the Agreement of Sale, as required in the Right of Way Manual. The prevalence of this occurrence was directly attributable to the regular use of outside fee agents for closings. Analysis indicated that average days from issuing a warrant for Right of Way acquisition to the actual closing at Regions I and III are approximately 122 and 74 days respectively. These averages do not compare favorably to Regions II and IV where closings are performed by Right of Way staff and average 11 and 17 days respectively. (See Observation A)

The Table below provides a summary of reviewed property closing activities at the four regional ROW offices.

### Exhibit A – Closing Comparison at TDOT Region ROW Offices September 2012

	Negotiation and Relocation	Closing Function	Average Days from Issue of Warrant to Closing
<b>Region I</b>	Right of Way Agents	Consultants or Fee Agents	122 Days
<b>Region II</b>	Right of Way Agents	Right of Way Agents	11 Days
<b>Region III</b>	Consultants (≈ 60%)	Consultants or Fee Agents	74 Days
<b>Region IV</b>	Consultants for two large projects	Right of Way Agents	17 Days

*Source: Internal Audit analysis of 31 judgmentally selected samples*

The second oversight issue relates to the escrow accounts used by consultants. Reviews noted instances wherein state and federal funds, provided for closings, were used for purposes other than its intended use by some consultants; these discrepancies, if left unresolved, could have a significant negative impact on TDOT's operations. Additional work in this area is currently in progress to ascertain the ultimate disposition of those funds and what remunerative options are available. (See Observation B)

## OBSERVATIONS AND RECOMMENDATIONS

### *A – The use of Consultants resulted in Closing Delays.*

Region I and Region III routinely use fee agents and consultants to perform the majority of their closings. In addition, Region III relies on consultants to perform negotiations on most of its projects. This common practice created instances that resulted in significant delays in closing property acquisitions. Contrast this with Region IV and Region II; Region IV offices use consultants for negotiations and closings only when staff limitations make it necessary, but perform all other closings in-house. Region II performs all of its closings in-house and does not use consultants. The average turnaround time from warrant issuance to property closing in those offices is significantly shorter than at Regions I and III. Although other localized factors may also affect the average days required to complete a closing, in general *the average days to complete a closing are much greater when consultants and fee agents are used.*

In the final analysis, the primary issue at hand is not whether the use of consultants is necessary, but rather on the issue of properly monitoring them once they are deployed.

#### Criteria:

- Tennessee Department of Transportation Right-of-Way Manual
- *The Committee of Sponsoring Organizations Internal Control Integrated Framework*
- Prudent business practices

#### Risks:

- Changes in landowner's circumstances can occur during the delay period and could inhibit Right of Way's ability to close the acquisition.
- Inadequate monitoring can provide consultants opportunities to perpetrate fraudulent acts.

#### Recommendations:

- Right of Way management should monitor consultant closing activities to ensure property closings are conducted in timely manner.
- Right of Way management, especially at the Region I and III offices, should reassess the use of consultants to perform the closing function.

- Right of Way management and staff should perform status assessments and regular follow-ups of all consultants used on closing activities.
- Right of Way management should require strict adherence to the 45 day time limit for closings as stated in the Right-of-Way Manual.

***B – Irreconcilable Consultant Escrow Accounts.***

Property acquisitions, for which state and federal funds were provided to consultants, for closings, were irreconcilable. Furthermore, payments could not be traced to the appropriate lien holders or land owners. Analysis of information provided by Region I and Region III Right of Way offices list 108 projects with a total disbursed value of \$1,862,406. Those disbursements were apportioned to nine consulting firms and closing agents for property closings. As of October 12, 2012, no closing documents have been submitted to the Region I and Region III Right of Way offices. One of the outstanding disbursements dates all the way back to 2004. Moreover, the review has identified two consultants who are unable to account for all funds paid by TDOT for project closings. As a result, a more in-depth inquiry into the disposition of these funds is currently underway.

The table below depicts the extent of irreconcilable property closings attributable to the nine consultants.

**Exhibit B - Disbursements with Delinquent Closings at Region I and Region III Right of Way Offices as of October 12, 2012**

Consultant	Number of Tracts	Disbursements to Consultant	Date of Oldest Disbursement
Capitol	53	\$ 977,712	2/2/2004
RJ Abstract / Colon Title	34	\$ 393,924	3/23/2010
Gail Howell	8	\$ 127,015	8/20/2009
Bluegrass Title	1	\$ 182,175	2/24/2006
Stanfield	6	\$ 129,280	5/7/2012
Title Associates	2	\$ 14,175	7/6/2011
Watauga	1	\$ 27,325	8/6/2003
Crawford	1	\$ 5,800	6/13/2012
Carl McInturff	2	\$ 5,000	7/23/2012
<b>Totals</b>	<b>108</b>	<b>\$ 1,862,406</b>	

*Source: Region I and III Right of Way Offices*

Criteria:

- Tennessee Department of Transportation Right-of-Way Manual
- *The Committee of Sponsoring Organizations Internal Control Integrated Framework*
- Prudent business practices

Risks:

- The use of escrow accounts increases the possibility of fraud, especially since escrow funds are not audited systematically.
- Loss of control over payments to home owners and lien holders.

Recommendation:

Right of Way management should discontinue the use of escrow accounts when utilizing consultant services.

***C – Misuse of the Right of Entry Option.***

Reviews showed 30 right-of-way tracts, from projects in Region I and Region III, with a construction status of “Let” or “Construction Complete”, are without deed. Reviews showed nine instances (three in Region 1 and six in Region III) wherein tracts had not been acquired, even though construction was essentially complete.

The TDOT Right of Way Manual states that use of the Right of Entry is, “*most appropriate when a project itself is of an emergency nature...*” Additionally, the manual further states that it is, “*imperative that the State have legal possession of tracts within 1 year of the date of the Right of Entry and the Regional Transportation Manager 2 in each field office must maintain a system to ensure this time limit is met.*”

As of September 28, 2012 outstanding tracts had an average elapsed time of 761 days in Region I and 1,490 days in Region III from the date of the Right of Entry. Additionally, one of the outstanding Right of Entry was dated over eight years ago.

Criteria

- Tennessee Department of Transportation Right-of-Way Manual
- *The Committee of Sponsoring Organizations Internal Control Integrated Framework*
- Prudent business practices



Risks:

- Possible delays in project completion and higher settlement fees if Right of Entry is revoked by the landowner.
- Possible litigation costs if left unresolved.

Recommendation:

Right of Way management should develop a logging and tracking mechanism that identifies the status of Right of Entry tracts to ensure Right of Entry provisions, as identified in the TDOT Right Of Way Manual, are followed.

***D – Staffing Shortages at Regional Right of Way Offices.***

A review of the current personnel resource indicated that recent and impending retirements are producing staffing shortages and loss of knowledge base at the Right of Way offices. As a result, there is an increased reliance on the use of consultants. This is especially true for Region I and Region III which primarily use fee agents (closing agents) to compensate for staffing shortages. The table in Appendix A highlights vacancies or potential vacancies in the Right of Way offices for the positions important to the closing process. Of particular note is the vacant Acquisition Agent 4 in Region III, the Acting Manager positions in Regions III and IV, and the variation in the number of authorized Agent 3 and Appraiser 3 positions in each of the four Regions.

Additional analysis of the projects and related tracts assigned from 2008 through August 2012 were conducted to measure approximate workload within each region. Using a Program, Project and Resource Management query and the Acquisition Dates as a measure of the workload, results indicated a fairly uniform distribution of workload across the state. The percentage of tracts for Right of Way projects was: (1) 29 percent for Region I, (2) 26 percent for Region II, (3) 23 percent Region III, and (4) 23 percent for Region IV. These results point to equal staffing requirements between the regional offices.

Criteria:

- *The Committee of Sponsoring Organizations Internal Control Integrated Framework*
- Prudent business practices

Risks:

- Increased reliance on outsourced consulting agents.
- Loss of inherent institutional knowledge

Recommendation:

- Right of Way management should consider filling key positions essential to the closing process.
- Right of Way management should provide more consistency in the staffing of Right of Way positions across the Regions.

# GENERAL AUDIT INFORMATION

## ***PROFESSIONAL STANDARDS***

The audit of the Acquisition and Property Management process at the Regional Right of Way Division was conducted from June 2012 to October 2012 in accordance with the *International Standards for the Professional practice of Internal Auditing* as promulgated by the Institute of Internal Auditors with the exception of the required external quality assessment review conducted every five (5) years. The last review was held in 2006 and concluded general compliance with the applicable standards. The next external quality assessment review is planned for 2013.

## ***SCOPE AND METHODOLOGY***

The audit period focused primarily on the period July 1, 2009, through October 30, 2012 but the reviews included documents older than eight years.

The methodology employed throughout this audit was one of objectively reviewing various forms of documentation including financial information, written policies and procedures, contracts and data in various forms.

## ***CRITERIA***

In conducting this audit, the existing processes were evaluated for compliance with:

- Tennessee Department of Transportation Right of Way Manual
- *The Committee of Sponsoring Organizations Internal Control Integrated Framework*
- Prudent Business Practices

## ***STAFF ACKNOWLEDGMENT***

Mel Marcella, CPA, CMA, CIA, CISA, CFE - Quality Assurance  
Phil McGovern, CPA, CFE – In Charge Auditor  
Ty Decker – Staff Auditor  
Dylan Morse – Staff Auditor  
Craig Pitts – Staff Auditor  
Anne Carlisle – Staff Auditor

## APPENDIX A. STAFFING ANALYSIS

**Exhibit C - Filled and Vacant Positions in Regional Right of Way Offices, as of September 2012**

Selected Positions	Region I	Region II	Region III	Region IV	Percent Vacant ***
Trans Manager 2	1 – Filled	1 -- Filled	1 – Filled (Acting)	1 – Filled (Acting)	50%
Trans Spec 2	1 -- Filled*	1 -- Vacant	1 -- Filled	1 Filled (Acting)	75%
Admin Secretary	1 – Filled	1-- Filled	1 -- Vacant	1 -- Filled	25%
Appraiser 4	1 – Vacant	1 -- Filled	1 -- Filled	1 -- Filled	25%
Appraiser 3	5 – 1 Vacant	2 -- Vacant	2 -- Vacant	5 – 1 Vacant	43%
Acquisition Agent 4	1 – Filled	1 -- Filled	1 -- Vacant	1 -- Filled	25%
Acquisition Agent 3	6 – 2 Vacant	7 – Filled**	4 – 2 Vacant	9 – 5 Vacant	35%
Acquisition Agent 2	No Position	1 -- Filled	No Position	No Position	0%
Property Man. Agent 4	1 -- Filled	1 -- Vacant	1 -- Filled	1 -- Filled	25%
Property Man. Agent 3	9 – 3 Vacant	5 – 2 Vacant	3 – 1 Vacant	2 -- Filled	32%
Secretary	5 – 2 vacant	3 – 1 Vacant	4 – 1 Vacant	3 – 2 Vacant	40%
Admin. Services Asst. 1 or Asst. 2	1 -- Vacant	No Position	1 -- Filled	1 -- Vacant	67%

\*Position filled – Employee on long term leave

\*\*Position Filled – One Employee on Military Leave

\*\*\* Includes positions that are vacant, acting, and extended leave

## APPENDIX B. MANAGEMENT RESPONSES

- Management's Responses Starts on Next Page -



**STATE OF TENNESSEE  
DEPARTMENT OF TRANSPORTATION**

**RIGHT OF WAY DIVISION**  
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**JOHN C. SCHROER**  
COMMISSIONER

**BILL HASLAM**  
GOVERNOR

December 21, 2012

Mel Marcella  
Director of Internal Audit  
James K. Polk Bldg., Suite 1800  
Nashville, Tennessee 37243

Dear Mr. Marcella:

This letter acknowledges that the Right of Way Division and each Regional Right of Way Office is in receipt of the report entitled Audit of the Acquisition and Property Management Process at the Regional Right of Way Division, which was conducted by the Office of Internal Audit.

We have received the audit report and evaluated all observations raised in this report. Each Regional Right of Way Office will undertake the recommended actions which apply to their office. Attached please find each regions formal response to the recommendations and the proposed plan of action. This audit will serve as a valuable instrument and management tool in helping the Tennessee Department of Transportation meet its objectives and goals.

Sincerely,

A handwritten signature in black ink, appearing to read "JHoge", is written over a faint, larger signature.

Jeff Hoge, Director  
Right of Way Division

JH:th

Attachment

Cc: Paul Degges  
Jeff Jones  
Steve Borden  
Ray Rucker  
David Layhew  
Chuck Rychen  
Oliver Farris  
Jackie Wolfe  
Casey Pounders  
Seth Hendren

**Regional Right of Way  
Management Responses to Audit Recommendations – December 2012**

Report Item and Description	Response to Recommendation / Action Plan	Assigned Responsibility	Estimated Completion
<b>REGION 1 RESPONSES</b>			
A. Right of Way management should monitor consultant closing activities to ensure property closings are conducted in timely manner.	<b>Accept</b>	Sonya Sneed	The process was initiated early fall this year. (2012)
B. Right of Way management, especially at the Region I and III offices, should reassess the use of consultants to perform the closing function.	<b>Accept</b>	Oliver Farris	Since early fall, the use of consultants on new projects has been discontinued. Where possible, staff is closing “old” optioned tracts.
C. Right of Way management and staff should perform status assessments and regular follow-ups of all consultants used on closing activities.	<b>Accept</b>	Sonya Sneed and Gaylon Hill	The process is being monitored and entered into our database.
D. Right of Way management should require strict adherence to the 45 day time limit for closings as stated in the Right-of-Way Manual.	<b>Accept</b>	Sonya Sneed	The 45 day time limit is being closely monitored and a form letter has been instituted for closings (reasons) taking longer than the 45 days.
E. Right of Way management should discontinue the use of escrow accounts when utilizing consultant	<b>Accept</b>	Oliver Farris	Escrow accounts will not be used on future

**Regional Right of Way  
Management Responses to Audit Recommendations – December 2012**

<b>Report Item and Description</b>	<b>Response to Recommendation / Action Plan</b>	<b>Assigned Responsibility</b>	<b>Estimated Completion</b>
services.			projects. We are in the process of closing out escrow accounts on older projects.
F. Right of Way management should develop a logging and tracking mechanism that identifies the status of Right of Entry tracts to ensure Right of Entry provisions, as identified in the TDOT Right Of Way Manual, are followed.	<b>Accept</b>	Sonya Sneed Gaylon Hill	A computer program has been developed to track and monitor Right of Entries so as to conform with the mandate in the Right of Way manual.
G. Right of Way management should consider filling key positions essential to the closing process.	<b>Accept</b>	Oliver Farris	Requests for filling / promoting of key position is a high priority and should be initiated
H. Right of Way management should provide more consistency in the staffing of Right of Way Agent 3 positions across the Regions.	<b>Accept</b>	Oliver Farris	This matter has been discussed at Headquarters staff meetings and suggestions have been made to accommodate this matter.



**Regional Right of Way  
Management Responses to Audit Recommendations – December 2012**

Report Item and Description	Response to Recommendation / Action Plan	Assigned Responsibility	Estimated Completion
<b>REGION 2 RESPONSES</b>			
A. Right of Way management should monitor consultant closing activities to ensure property closings are conducted in timely manner.	<b>Accept</b>  All tracts are closed in-house		
B. Right of Way management, especially at the Region I and III offices, should reassess the use of consultants to perform the closing function.	<b>Accept</b>  All tracts are closed in-house		
C. Right of Way management and staff should perform status assessments and regular follow-ups of all consultants used on closing activities.	<b>Accept</b>  None are used		
D. Right of Way management should require strict adherence to the 45 day time limit for closings as stated in the Right-of-Way Manual.	<b>Accept</b>  We are monitoring closings using a program that Gaylon Hill, Region 1, designed to retrieve information from TRIS. We are now documenting all late closings and following up on them.		11/1/12
E. Right of Way management should discontinue the use of escrow accounts when utilizing consultant services.	<b>Accept</b>  None are used		

**Regional Right of Way  
Management Responses to Audit Recommendations – December 2012**

Report Item and Description	Response to Recommendation / Action Plan	Assigned Responsibility	Estimated Completion
<p>F. Right of Way management should develop a logging and tracking mechanism that identifies the status of Right of Entry tracts to ensure Right of Entry provisions, as identified in the TDOT Right Of Way Manual, are followed.</p>	<p><b>Accept</b></p> <p>Gaylon Hill Region 1 has written a program that can help monitor ROW's. I held a staff meeting on 12.12.12 and discussed our used of ROE's to make sure we are following the ROW manual.</p>	<p>Jackie Wolfe ROW Manager</p>	<p>12.12.12</p>
<p>G. Right of Way management should consider filling key positions essential to the closing process.</p>	<p><b>Accept</b></p> <p>I met on 12.11.12 with Ray Rucker, Region 2 Director to discuss filling positions. Ray said that we are going to begin announcing positions in Feb. 2013</p>	<p>Jackie Wolfe ROW Manager</p>	<p>12.11.12</p>
<p>H. Right of Way management should provide more consistency in the staffing of Right of Way Agent 3 positions across the Regions.</p>	<p><b>Accept</b></p> <p>All in discussion with Region 2 Director, from the Top to Bottom study, we will be reorganized into "Studios". This should cause all regions to be consistent in work for all ROW employees across the state.</p>	<p>Jackie Wolfe ROW Manager</p>	<p>12.11.12</p>

**Regional Right of Way  
Management Responses to Audit Recommendations – December 2012**

Report Item and Description	Response to Recommendation / Action Plan	Assigned Responsibility	Estimated Completion
<b>REGION 3 RESPONSES</b>			
A. Right of Way management should monitor consultant closing activities to ensure property closings are conducted in timely manner.	<p><b>Accept</b></p> <p>Region 3 Office is now submitting a monthly TRIS report of all tracts remain unclosed. Any that remain past 45 days will require explanation.</p>	R.O.W. Agent 4 Acquisition-Vacant. (Currently: Transportation Specialist 2)	Nov. 7, 2012
B. Right of Way management, especially at the Region I and III offices, should reassess the use of consultants to perform the closing function.	<p><b>Accept</b></p> <p>Region 3 Office is now using assistance from Regions 2 and 4 to accomplish closings. Region 3 will use consultants only when workload demands. The plan is to get to the point where we are using in-house agents to perform the closing function.</p>	Transportation Manager	TBD
C. Right of Way management and staff should perform status assessments and regular follow-ups of all consultants used on closing activities.	<p><b>Accept</b></p> <p>Region 3 Office is now submitting a monthly report of all tracts that remain unclosed past the 45 day limit with explanations. There will be, at minimum, monthly status assessments on closing activities for all tracts outstanding in Region 3.</p>	R.O.W. Agent 4 Acquisition-Vacant. Currently: Transportation Specialist 2)	Nov. 7, 2012
D. Right of Way management should require strict adherence to the 45 day time limit for closings as stated in the Right-of-Way Manual.	<p><b>Accept</b></p> <p>Region 3 Office, as part of monthly reporting of closing process, plans to require extension letters with explanation of the delay in closing any tracts as stated in the Right of Way Manual as it related to the 45 day limit.</p>	Transportation Manager	Jan. 1, 2013
E. Right of Way management should discontinue the			

**Regional Right of Way  
Management Responses to Audit Recommendations – December 2012**

Report Item and Description	Response to Recommendation / Action Plan	Assigned Responsibility	Estimated Completion
use of escrow accounts when utilizing consultant services.	<p><b>Accept</b></p> <p>Region 3 Office has discontinued the use of escrow accounts when we utilize consultants to perform the closing function under Region 3s “proposal/agreement to provide title information and related services”. This came from a memo dated October 8, 2012.</p>	Transportation Manager	October 8, 2012
F. Right of Way management should develop a logging and tracking mechanism that identifies the status of Right of Entry tracts to ensure Right of Entry provisions, as identified in the TDOT Right Of Way Manual, are followed.	<p><b>Accept</b></p> <p>Will used monthly TRIS report to monitor ROE dates. Will only use ROE when it is determined that it is absolutely necessary. When those dates become 6 months old without being closed, it is time to determine if the tract can be closed or if it needs to be condemned</p>	Transportation Manager	Jan. 1, 2013
G. Right of Way management should consider filling key positions essential to the closing process.	<p><b>Accept</b></p> <p>Region 3 Office R.O.W Agent 4 Acquisition is vacant. This is a vital position in monitoring the closing process. Filling this position will improve our oversight and monitoring of the closing process.</p>	Transportation Manager	TBD
H. Right of Way management should provide more consistency in the staffing of Right of Way Agent 3 positions across the Regions.	<p><b>Accept</b></p> <p>Discussions are to be held with Regional Director of Project Delivery and Regional R.O.W. Manager to discuss how to best accomplish the consistency in staffing across the regions.</p>	Transportation Manager and Regional Director of Project Delivery	TBD

**Regional Right of Way  
Management Responses to Audit Recommendations – December 2012**

Report Item and Description	Response to Recommendation / Action Plan	Assigned Responsibility	Estimated Completion
<b>REGION 4 RESPONSES</b>			
<p>A. Right of Way management should monitor consultant closing activities to ensure property closings are conducted in timely manner.</p>	<p><b>Accept</b></p> <p>Program created to aid in monitoring consultant closings. Region 4 does not consult out closings unless it's part of a contract to perform ROW acquisition/Relocation for a project.</p>	<p>ROW Acquisition Agent 4</p>	<p>Varies with each project consulted out for Acquisition / Relocation</p>
<p>B. Right of Way management, especially at the Region I and III offices, should reassess the use of consultants to perform the closing function.</p>	<p><b>Accept</b></p> <p>Region 4 does not consult out closings unless it's part of a contract to perform ROW acquisition/Relocation for a project.</p>	<p>Transportation Manager II</p>	<p>Will vary if the need arises for using consultants specifically for closings</p>
<p>C. Right of Way management and staff should perform status assessments and regular follow-ups of all consultants used on closing activities.</p>	<p><b>Accept</b></p> <p>Region 4 does not consult out closings unless it's part of a contract to perform ROW acquisition/Relocation for a project.</p>	<p>Transportation Manager II, Transportation Specialist II, and ROW Agent Acquisition Agent 4.</p>	<p>Will vary if the need arises for using consultants specifically for closings</p>

**Regional Right of Way  
Management Responses to Audit Recommendations – December 2012**

<b>Report Item and Description</b>	<b>Response to Recommendation / Action Plan</b>	<b>Assigned Responsibility</b>	<b>Estimated Completion</b>
D. Right of Way management should require strict adherence to the 45 day time limit for closings as stated in the Right-of-Way Manual.	<b>Accept</b>  This function is part of the program created to aid in monitoring. This item will be integrated into IRIS. Written requests will be required should a closing need to exceed the 45 day limit.	Transportation Manager II and ROW Agent Acquisition Agent 4.	Varies on a tract by tract basis
E. Right of Way management should discontinue the use of escrow accounts when utilizing consultant services.	<b>Accept</b>  Headquarters ROW has discontinued the used of ESCROW accounts for future contracts. Any preexisting contract using an ESCROW account will still be allowed. Region 4 has a preexisting contract with an ESCROW account. It will be monitored weekly.	Headquarters ROW	Immediately. Full implementation after all preexisting contracts are complete.
F. Right of Way management should develop a logging and tracking mechanism that identifies the status of Right of Entry tracts to ensure Right of Entry provisions, as identified in the TDOT Right Of Way Manual, are followed.	<b>Accept</b>  Program created to monitor, thru TRIS, the dates of Right of Entry. Acquisition agents and any consultant acquisition agents have been made fully aware that Right of Entry is a last resort and is only good for 1 year from date it was signed.	ROW Acquisition Agent 4	Immediately
G. Right of Way management should consider filling key positions essential to the closing process.	<b>Accept</b>  ROW Agent 3 in place in Region 4 to handle all closings. Regional Director for Region 4 has requested to open 3 ROW agent 3 positions which will aid in the closing process.	Regional Director and Transportation Manager II	Unknown
H. Right of Way management should provide more consistency in the staffing of Right of Way Agent 3	<b>Accept</b>	Regional Director	Unknown

**Regional Right of Way  
Management Responses to Audit Recommendations – December 2012**

Report Item and Description	Response to Recommendation / Action Plan	Assigned Responsibility	Estimated Completion
positions across the Regions.	Regional Director for Region 4 has requested to open 3 ROW agent 3 positions which will put Region 4 more in line with the amount of Agent 3 positions across the Regions.	and Transportation Manager II	