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HAMILTON COUNTY, TENNESSEE

OFFICE OF INTERNAL AUDIT

To: Weston Wamp, County Mayor
Chip Baker, County Commission Chairman
Hamilton County Board of Commissioners

From: Jenneth Randall, County Auditor *Jenneth*

Date: January 19, 2023

Subject: Review of Hamilton County's "Real Estate" lease agreements

Recently, we reviewed the current real estate lease agreements in which Hamilton County is the Lessor and collects a lease payment. Our office examined six lease agreements: the Air Pollution Control Bureau, Parker Towing Company, Inc., Signal One, LLC, the US Department of Agriculture, Tennessee Valley Railroad Museum (TVRM), and Volkswagen Group of America, Inc. The respective lease payments received for FY22 were valid and in compliance with the lease agreements between Hamilton County and each Lessee. However, during the review, we found a conflict of interest that needs to be addressed.

OBSERVATION:

As a Hamilton County employee, Mr. Tim Andrews is Director of the Hamilton County Railroad Authority and is responsible for managing and overseeing the TVRM lease agreement. In addition, Tim Andrews is currently serving as the President of the Tennessee Valley Railroad Museum. Due to his direct involvement in the Lessee's organization, it is our opinion that there is a conflict of interest regarding the management of the lease agreement.

AUDITOR'S RECOMMENDATION:

We recommend transferring the management and oversight of the Tennessee Valley Railroad Museum lease agreement from Tim Andrews to the Real Property Office under the Public Works Division.

RESPONSE – PUBLIC WORKS DIVISION:

We concur with the auditor's recommendation and Real Property will begin management and oversight of the TVRM lease agreement.

We want to thank Tim Andrews and the Hamilton County Real Property Office for their cooperation and assistance. If you have any questions, please call me at 209-6210 or Chris McCollough at 209-6212.

copy: Claire McVay, Chief of Staff
Lee Brouner, Finance Administrator
Vonda Patrick, Assistant Finance Administrator
Patricia Mitchell, Legislative Administrator
Todd Leamon, Administrator of Public Works
Lynn Mansfield, Real Property Manager
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Auditor Assigned: Tracy Holl