



OFFICE *of* INSPECTOR GENERAL
NATIONAL RAILROAD PASSENGER CORPORATION

ANNUAL AUDIT PLAN FOR 2024

OIG-AP-2024 | February 7, 2024

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INSPECTOR GENERAL'S MESSAGE

We are pleased to present our audit plan for calendar year 2024. In developing this plan, we continue to align our work with the historic opportunities and inherent challenges that Amtrak (the company) faces as it spends the largest federal investment in passenger rail in generations. Under the Infrastructure Investment and Jobs Act (IIJA),¹ the company has access to up to \$22 billion in direct funding and potentially tens of billions more in other federal discretionary grants, which could more than triple its annual spending on capital programs.² At the same time, the company will continue facing a series of other important and complex issues regardless of its capital expenditures, including maintaining its commitment to safety, addressing persistent physical and cyber-security threats, anticipating and responding to evolving customer demands, and the nondiscretionary requirement to refresh and modernize its equipment and technology.

Accordingly, we have begun a series of audits to assess how the company is overseeing its major capital programs and contracts, managing its IIJA funding, promoting safety, and addressing emerging risks. For example, we are assessing the company's management and oversight of three multi-billion-dollar capital projects—the replacement of the Fredrick Douglass Tunnel in Baltimore, the procurement of a new long-distance fleet, and the Gateway program's Portal North Bridge project. We are also reviewing the company's procurement processes, assessing its disaster recovery plans for its operational technology assets, and evaluating its efforts to prevent trespasser and vehicle strikes.

Our planned audits for 2024 primarily focus on our longstanding commitment to capital investment oversight, and our ongoing and planned work covers approximately \$40 billion of the company's capital projects—largely funded through IIJA. For example, we plan to review the \$16.1 billion Hudson Tunnel project, \$4.9 billion in planned maintenance facilities upgrades, the \$2.7 billion Susquehanna Bridge replacement project, and others. At the same time, we plan to continue overseeing an array of other high-risk, high-impact areas, including the company's cyber-security risks, physical security at stations and yards, environmental challenges, and its efforts to address the needs of passengers with disabilities.

¹ Infrastructure Investment and Jobs Act, Pub. L. No. 117-58, 135 Stat. 429 (2021).

² For our initial assessment of the company's challenges associated with IIJA, see *Amtrak: Areas for Management Focus in Advance of Infrastructure Investment and Jobs Act Funding* (OIG-SP-2022-008), March 31, 2022.

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To select our work, we assessed the results of our prior audit work, the evolving obstacles to contend with, and the possibilities to improve that will undoubtedly arise from the company's recent influx of federal funding. We also assessed the key risks and challenges that are of likely interest to company stakeholders, including the Board of Directors and Congress. We used this information to identify audits that give us the opportunity to provide the greatest value to stakeholders and fulfill our statutory responsibilities. We have summarized our annual audit plan in two tables: Table 1 lists our ongoing audits, and Table 2 lists the audits we plan to initiate in calendar year 2024 in priority order.

As the year progresses, we will monitor emerging risks and, if necessary, revise our plan to flexibly focus on the most relevant issues to the company and its stakeholders. We welcome input on our plan. Please direct any questions or comments to me or Jim Morrison, Assistant Inspector General for Audits, at 202-906-4600.

Sincerely,



Kevin H. Winters
Inspector General

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Table 1. Ongoing Audits (As of January 2024)

Title	Issue Area ^a
1. Train strikes. Assess the company's efforts to reduce the risk of trespasser and vehicle strikes and identify challenges or opportunities for improvement.	Safety and Security
2. Gateway—Portal North Bridge. Assess the company's efforts to support New Jersey Transit and oversee company interests as construction advances.	Major Programs
3. Long-distance equipment procurement. Assess the company's early management and oversight of its procurement of the next generation of equipment for long-distance trains.	Major Programs
4. Pre-award contract oversight. Assess the extent to which the company has effective controls and processes to ensure full and open competition during the pre-award phase.	Procurement
5. Frederick Douglass Tunnel. Assess the company's management and oversight of the \$6.0 billion tunnel replacement program, including its efforts to identify and mitigate any major cost, schedule, and performance risks.	Major Programs
6. FMLA. Assess the extent to which the company is effectively managing Family and Medical Leave Act (FMLA) leave.	Governance
7. Disaster recovery of operational technology systems. Assess the company's disaster recovery processes for operational technology systems.	Technology
8. Customer service data. Assess the company's efforts to collect and use customer service data to improve the customer experience.	Train Operations
9. Inventory controls and management. Evaluate the company's processes and controls to manage and safeguard its inventory of materials, tools, and supplies.	Asset Management
10. Oversight of the FY 2023 single audit. ^b	Financial Management

Notes:

^a We have aligned our audits with OIG's nine strategic focus areas: Asset Management, Financial Management, Governance, Human Capital, Technology, Major Programs, Procurement, Safety and Security, and Train Operations.

^b The monitoring of this audit is required by the Inspector General Act of 1978, as amended.

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Table 2. Planned Audits for 2024

Title	Issue Area
1. Force account planning. Assess the extent to which the company has evaluated force account (labor) and track outage requirements for projects along the Northeast Corridor and developed a comprehensive plan to manage those resources to meet increased demand.	Governance
2. Insights on capital project planning. Provide insights on foundational planning activities as the company prepares to begin construction on tens of billions of dollars in infrastructure projects.	Governance
3. Gateway–Hudson Tunnel. Assess the extent to which the company and its partners have established an effective project management framework to govern the delivery of the estimated \$16.1 billion tunnel replacement.	Major Programs
4. Third-party cyber-security risks. Assess the company’s efforts to mitigate cyber-security risks related to vendors and suppliers hosting, supporting, or otherwise connecting to Amtrak’s systems and networks.	Technology
5. Post-award contract oversight. Assess the extent to which the company effectively oversees and manages contracts after awarding them.	Procurement
6. Upgrades and retrofits of maintenance facilities for fleet replacements. Assess the company’s program management framework for its \$4.9 billion in planned upgrades to its maintenance facilities.	Major Programs
7. Susquehanna Bridge replacement. Assess the company’s management and oversight of the \$2.7 billion program to replace the Susquehanna Bridge.	Major Programs
8. Customer service of frontline employees. Assess the extent to which the company is effectively managing onboard and station personnel to maximize the customer experience.	Train Operations
9. Physical security at yards and stations. Assess the extent to which the company has developed and implemented location-specific security management plans for its major rail yards and stations.	Safety and Security
10. East River Tunnel. Assess the company’s management and oversight of the \$1.6 billion program to rehabilitate the East River Tunnel in New York.	Major Programs
11. SAP replacement implementation. Assess the extent to which the company is effectively managing its program to replace its core financial system to minimize delays and disruptions.	Technology
12. Environmental resiliency. Assess the company's efforts to prepare for, recover from, and adapt to hazardous events or disturbances related to climate change.	Safety and Security
13. ADA customer experience. Assess the extent to which the company is effectively managing onboard and station personnel to maximize the customer experience for passengers with disabilities.	Train Operations
14. Oversight of the FY 2024 single audit. ^a	Financial Management

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Title	Issue Area
15. <i>Oversight of the FY 2024 consolidated financial statement audit.</i> ^a	Financial Management

Note:

^a The monitoring of this audit is required by the Inspector General Act of 1978, as amended.

OIG MISSION AND CONTACT INFORMATION

Mission

The Amtrak OIG's mission is to provide independent, objective oversight of Amtrak's programs and operations through audits and investigations focused on recommending improvements to Amtrak's economy, efficiency, and effectiveness; preventing and detecting fraud, waste, and abuse; and providing Congress, Amtrak management, and Amtrak's Board of Directors with timely information about problems and deficiencies relating to Amtrak's programs and operations.

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Reporting Fraud, Waste, and Abuse

Report suspicious or illegal activities to the OIG Hotline

www.amtrakoig.gov/hotline

or

800-468-5469

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