

Amtrak Office of Inspector General

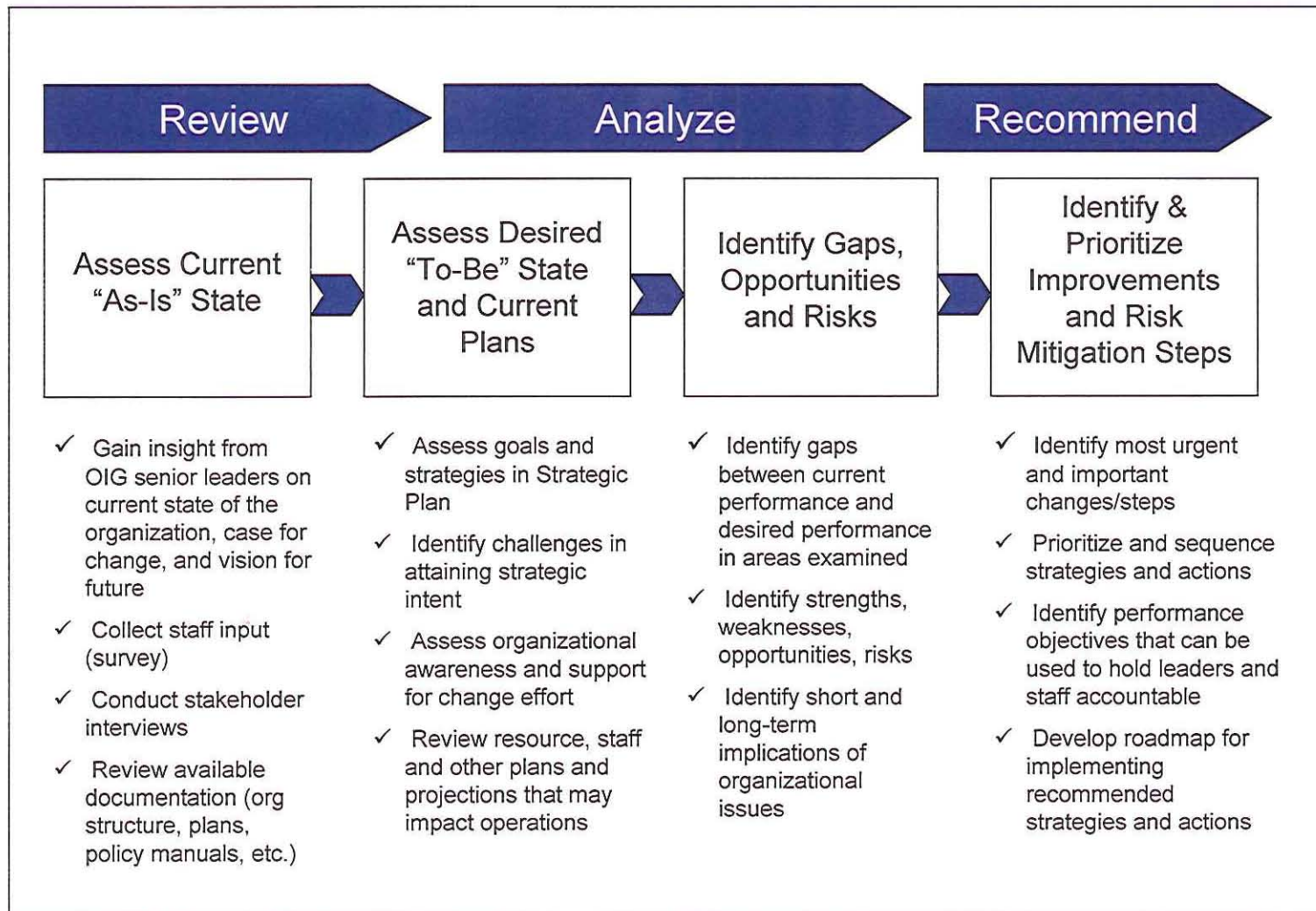


Final Briefing

August 2010

900 7th Street, NW Suite 600
Washington, D.C.

Project Approach



Schedule



Task	May				June				July				August					
	3-7	10-14	17-21	24-28	31-4	7-11	14-18	21-25	28-2	5-9	12-16	19-23	26-30	2-6	9-13	16-20	23-31	
Project kick-off	◆ May 3																	
NAPA conducts interviews with senior OIG staff	■	■	■															
NAPA reviews documentation	■	■	■															
First Panel Meeting	◆ May 26																	
NAPA conducts interviews with stakeholders					■	■	■											
Online survey for OIG staff					■	■	■											
Benchmarking Interviews					■													
CIGIE Benchmarking Survey											■		◆					
Data analysis and preparation of draft assessment								■										
Second Panel Meeting	◆ July 9																	
NAPA submits draft report to OIG and Panel											■		◆					
NAPA gives oral presentation for senior OIG staff													■		◆	Aug 16		
OIG & Panel submit written comments to NAPA																	◆	
NAPA incorporates OIG & Panel feedback																	■	
OIG receives final assessment findings	◆																	

Data Collection/Sources of Information

Area	Interviewees	
Interviews with OIG management team & key senior staff (Appendix A)	<ul style="list-style-type: none"> •Ted Alves, Inspector General ✓ •Thomas Howard, Deputy Inspector General ✓ •Colin C. Carriere, General Counsel ✓ •Bret Coulson, AIG Management & Policy ✓ •Calvin Evans, AIG Inspections & Evaluations ✓ •Jerry Gideon, Senior Director, Management & Policy ✓ •Alan Klein, Senior Director, Audits ✓ •Dan Krueger, Senior Director, Audits ✓ 	<ul style="list-style-type: none"> •Nick Pinto, Acting AIG for Audits ✓ •Adrienne Rish, AIG, Investigations ✓ •Sue Ryan, Principal Officer/HCM ✓ •Katherine Moore, Audit Project Supervisor ✓ •Phil Ong, Director, I&E ✓ •John Grimes, Chief Inspector ✓ •Joe O'Rourke, Regional Special Agent-in-Charge ✓ • Kathleen Ranowski, Deputy Counsel ✓ • Catherine Smith, Chief, I&E ✓
Interviews with stakeholders internal to Amtrak (Appendix B)	<ul style="list-style-type: none"> •Eleanor Acheson, Vice President, Gen Counsel and Corporate Secretary, Amtrak ✓ •Joe Boardman, CEO, Amtrak ✓ •Thomas Carper, Chair of Amtrak Board ✓ •Bill Crosbie, COO, Amtrak ✓ •Stephen Gardner, Vice President, Policy & Development ✓ •Lorraine Green, Vice President, Human Resources and Diversity Initiatives ✓ 	<ul style="list-style-type: none"> •Joe McHugh, Vice President, Government Affairs and Corporate Communications ✓ •Donna McLean, Vice Chair of Amtrak board ✓ •Nancy A. Naples, Board Member ✓ •Jessica Scritchfield, Principal Audit/Controls Officer ✓ •DJ Stadler, CFO, Amtrak ✓ •Mark Yachmetz, Board Member ✓
Interviews with stakeholders external to Amtrak (Appendix B)	<ul style="list-style-type: none"> •Ellen Beares, Senate Appropriations Staff Member ✓ •Carl Clinefelter, Vice-Chair, CIGIE ✓ •Emilia DiSanto, Chief Investigator for Senator Grassley ✓ •Dave Dobbs, Consultant ✓ •Jason Foster, Investigative Counsel for Senator Grassley ✓ 	<ul style="list-style-type: none"> •Sylvia Garcia, House Appropriations Committee ✓ •Don Hickman, Consultant ✓ •Rachel Milberg, Senate Appropriations Staff ✓ •Steve Patterson, Partner, Hunton & Williams ✓ •Lex Stefani, Consultant ✓
OIG Best practices (Appendix D)	<ul style="list-style-type: none"> •Rickey Hass, Assistant IG, Audits, DOE ✓ •John Hartman, Assistant IG, Investigations, DOE ✓ •Todd Zinser, Inspector General, DOC ✓ •Wade Green, Acting Deputy IG/General Counsel, DOC ✓ •Lisa Allen, Chief of Staff, DOC OIG ✓ •Ann Eilers, AIG, Office of Audit and Evaluation, DOC ✓ 	<ul style="list-style-type: none"> •Glenn Fine, Inspector General, DOJ ✓ •Cynthia Schnedar, Deputy IG, DOJ ✓ •Richard Moore, Inspector General, TVA ✓ •Ben Wagner, Deputy IG, TVA ✓ •David Kotz, Inspector General, SEC ✓
Secondary research	Research OIG org characteristics and business practices of comparable OIG offices; Review Amtrak OIG internal documentation, including org charts, strategic plans, CIGIE Reports, 2009 Audit Peer Review, the IG Congressional Testimony, etc. ✓	
All OIG Staff	Online survey to be initiated near conclusion of targeted interviews, to capture bottom-up information about the current climate, workload, staffing resources, processes, culture, and performance gaps ✓	
CIGIE members	Online survey focusing on benchmark areas ✓	

Baseline Observations About the Amtrak OIG

Current State

- OIG historically had minimal communication between and among Executive team and functional groups
- New members of Executive team have been well received by staff, and IG made a good number of early wins that won him credibility with stakeholders
- Staff waiting to see what changes leadership plans to undertake. Staff feel they have received little communication about vision & next steps, so there is fear about anticipated change and job security
- Recognized need by OIG staff and stakeholders that OIG needs to start doing higher-value work of impact to Amtrak, and to follow consistent, quality processes
- OIG has had limited communication with stakeholders. Stakeholders – both Amtrak and Hill - feel that historically they have been alerted to issues too late
- Independence of OIG and relationship with the Board has been strengthened since IG hire... need to institutionalize processes so no “slippage”

Case for Change

- New IG and leadership team hail from high-performing OIGs; can educate and communicate “what a successful OIG does” to Amtrak, OIG employees, and stakeholders
- Culture of fear and anxiety is not healthy or sustainable
- Many OIG employees express desire to do higher-quality work that they can take pride in, and welcome learning about OIG best practices
- Investigators’ firearms were revoked; minimally passed CIGIE peer review; lack of clarity about need for Amtrak OIG since DOT OIG is viewed as strong....OIG needs to change lest it be taken over



Barriers

- Culture of limited communication and “information/resource hoarding”
- Perception that different OIG staff might have different agendas; despite vocalized support for new OIG direction, all employees might not be willing to make necessary changes
- While recognized need to do more strategic work, anxiety about what this means for job security and day to day routines
- Many OIG near retirement and may not welcome changes

Future State of Amtrak OIG

- Has effective internal communication strategies that allow all OIG staff to be informed and invested in achieving a high-performance, high-accountability organizational mission.
- Has constructive relationships with Amtrak and Congressional stakeholders that enable it to gather and share information about potential areas of risk, while maintaining independence and transparency.
- Has a work planning and prioritization process that engages stakeholders in identifying and reducing areas of perceived risk, and fully assesses the nature, scope and inherent risks of Amtrak programs and operations.
- Consistently follows commonly accepted work practices and standards both within functional areas and across locations. Work adheres to established quality standards and, as appropriate, is accessible and transparent to OIG staff.
- Has an independent and transparent relationship with its stakeholders, in accordance with the letter and spirit of the IG Act and applicable industry standards. Each stakeholder group has a clear understanding and a practical, applied definition of what it means to have transparent interactions with an independent OIG.
- Maintains and applies current, accurate and consistent policy across the office; has a process to monitor changes in the external environment that affect its work practices and a mechanism to incorporate those changes into internal policy; and makes all guidance easily accessible to staff.
- Attracts and re-trains high-performing employees; has consistent job titles and job descriptions, and has in place training plans and performance management plans that link individual performance to OIG objectives.
- Has performance metrics that reflect the requirements of the IG Act, meet the expectations of GAO and Congress, reflect the value of the OIG work to Amtrak; and aligned with OIG strategic goals. These metrics are integrated into the OIG’s operating and performance management systems.

Benchmark Area #1

Internal Communication



Future State

- Amtrak OIG is an organization with effective internal communication strategies that allow all OIG staff to be informed and invested in achieving a high-performance, high-accountability organizational mission.

Key Observations

- OIG has had a culture that inhibits information sharing, and the OIG was unable to capitalize on information that could have been available through both regular and informal information sharing opportunities.
- Communication among the units (audit, investigations, I&E) has been limited and on a “need-to-know” basis, which fed an atmosphere of rumor, suspicion, and frustration.
- The IG has begun the process of engaging OIG staff, but communication among and between OIG units and staff still does not occur with regularity.

Recommendations

Quick Wins

1. Institute regular top-down communication practices such as a monthly email highlighting on-going work, employee achievement, and OIG successes.
2. Conduct regularly scheduled AIG unit meetings to discuss new work and progress on current work, emerging issues, current events, etc.
3. Hold at least two all-staff meetings per year that include an opportunity for staff to make presentations, ask questions of leadership, and recognize high-performing employees.
4. Develop mechanisms to allow OIG staff to give feedback to management.

Longer Term Recommendations

5. Make more effective use of technology and face-to-face meetings to strengthen internal communications and build a culture of transparency and information sharing.

Benchmark Area #2

External Communication



Future State

- Amtrak OIG has constructive relationships with Amtrak and congressional stakeholders that enable it to gather and share information about potential areas of risk, while maintaining independence and transparency.

Key Observations

- The IG has developed good, early working relationships with Amtrak mgmt., the Board, and the Hill.
- OIG does not have an established process with standardized timeframes for providing stakeholders updates on work in progress; stakeholders have expressed desire in knowing how and when the OIG will communicate with them.
- Some external stakeholders perceive that they have received less information than others from the Amtrak OIG and suspect that information has been leaked by people in OIG.

Recommendations

Quick Wins

6. Develop a practical, "applied" definition of independence and a succinct statement of the benefits and value of an independent OIG for use with the OIG Staff, Amtrak Board, and Amtrak Senior Management.
7. Once new work processes are established this fall, OIG leadership should meet with both Amtrak and Congressional stakeholders to brief them on the new processes, and let them know how and when each of them can expect to receive updates, be part of an official comment period, and/or receive information and reports.

Longer Term Recommendations

8. Establish standard procedures for reporting to external stakeholders. It should carefully develop a manageable list and schedule of regular updates.
9. Develop and conduct "OIG 101" training sessions.

Benchmark Area #3

Work Planning and Prioritization



Future State

- Amtrak OIG has a work planning and prioritization process that engages stakeholders in identifying and reducing areas of perceived risk, and fully assesses the nature, scope and inherent risks of Amtrak programs and operations. This process identifies high value work that provides strategic value to Amtrak and enables OIG to more effectively allocate its resources to this work.

Key Observations

- Work has not been centrally prioritized or coordinated to ensure alignment with the OIG's strategic direction, as well as to provide maximum value and impact to Amtrak.
- OIG staff interviewees recognize that staff need to perform more work that is of high-value impact to Amtrak.
- Staff capacity and skill set constraints impede leadership's ability to broadly engage OIG staff in the work prioritization process.

Recommendations

Quick Wins

10. Create a means to close out all low-priority OIG work by the end of this fiscal year.
11. Discuss areas of perceived risk with the Amtrak Board and management.
12. Hold an extended meeting of senior staff from headquarters and field offices, AIGs, and senior OIG leadership to discuss and finalize the upcoming year's priorities.
13. Institute a twice-yearly meeting among all AIGs and Amtrak senior team members to discuss any areas of concern regarding OIG/Amtrak interaction, as well as perceived or emerging risks to the corporation.

Longer Term Recommendations

14. Develop a comprehensive work prioritization plan, including interim operational milestones and a communications plan, that will launch in Fall 2011.

Benchmark Area #4

Quality and Timely Work Processes



Future State

- Amtrak OIG consistently follows commonly accepted work practices and standards both within functional areas and across locations. Work adheres to established quality standards and, as appropriate, is accessible and transparent to OIG staff.

Key Observations

- A lack of documented and well understood processes, tools and deadlines has resulted in misaligned resources, inconsistent report formats, and inadequate accountability.
- Audit, Inspections and Investigative staff do not conduct work in accordance with industry standards.
- OIG survey data and interviewees indicate a strong desire for processes and structure.
- Policies and process guidance is on track to be completed in September 2010, followed by training.

Recommendations

Quick Wins

15. Ensure that training on the newly developed policies and procedures for Audit and I&E occurs this fall.
16. Require and provide basic written instruction to all OIG employees to utilize the appropriate electronic tracking system.
17. Identify a number of audits/work that can be completed within a relatively short time period.
18. Celebrate the products of the improved work processes and training.
19. For Investigators, establish a deadline by which they must meet Attorney General Guidelines.

Longer Term Recommendations

20. Continue to place priority on developing internal policy and guidance, and pay special attention to defining how Yellow Book standards will apply to audits and evaluations.
21. Ensure compliance with internal policy and guidance once they are developed.
22. Consider whether field offices should be relocated, eliminated or staffed differently, in light of new OIG work flows, supervisory relationships, and project staffing.

Benchmark Area #5 Independence



Future State

- Amtrak OIG has an independent and transparent relationship with its stakeholders, in accordance with the letter and spirit of the Inspector General Act and applicable industry standards. Each stakeholder group has a clear understanding and a practical, applied definition of what it means to have transparent interactions with an independent OIG.

Key Observations

- The recently developed relationship policy document is a good start on building an effective, new working relationship between Amtrak and Amtrak OIG.
- OIG staff, Amtrak management and staff and Board members could all benefit from education about the roles and responsibilities of an OIG.
- Amtrak staff will also learn about "OIG independence" through day to day interactions with OIG staff, so issues should be resolved as they arise.

Recommendations

Quick Wins

23. Continue to have conversations with Amtrak management and the Board about its role, and resolve issues as they arise.
24. Request an informal CIGIE consultative review to confirm that the policies and procedures agreed to by management and the IG are being consistently implemented.

Longer Term Recommendations

25. Use the recently developed relationship policy to educate all stakeholders about the roles and responsibilities of OIG and Amtrak.
26. Work with Amtrak management and Board to eliminate Amtrak-imposed restrictions on OIG's use of funds, hiring actions or other resources that may adversely affect OIG's ability to fulfill its responsibilities.

Benchmark Area #6

Policy Management and Updates



Future State

- Amtrak OIG maintains and applies current, accurate and consistent policy across the office; has a process to monitor changes in the external environment that affect its work practices and a mechanism to incorporate those changes into internal policy; and makes all guidance easily accessible to staff.

Key Observations

- OIG leadership and staff recognize the need for standardized, quality policies and guidance.
- OIG has thus far not been able to fully engage staff in policy development.
- Recently developed policies have been placed on the secure subnet, but they do not appear to have been widely read and understood.
- The function and role of M&P is not clear, and skill sets may not be aligned to OIG needs.

Recommendations

Quick Wins

27. Review recently developed policies at all-staff meetings, monthly AIG unit meetings, and other internal forums.
28. Develop tools and training that demonstrate the practical application of the policies.
29. Define roles and responsibilities of the M&P group

Longer Term Recommendations

30. Clarify the roles of the functional groups (audit, investigations, and evaluation) and the M&P and Legal groups in the policy development and update process.

Benchmark Area #7

Human Capital Management



Future State

- Amtrak OIG attracts and retains high-performing employees; has consistent job titles and job descriptions; and has in place training plans and performance management plans that link individual performance to OIG objectives.

Key Observations

- Amtrak OIG does not have an inventory of its employee's current skill set, and there is concern that the current skill set of OIG employees is not sufficient.
- OIG will need to train current staff and recruit experienced OIG staff to fill skill set and supervisory/management gaps.
- Job titles are not standardized, and supervisory skills, manager-to-staff ratios and accountability systems are inadequate.

Recommendations

Quick Wins

31. Incorporate the development of a skills inventory into upcoming training delivery.
32. Streamline the number of job titles, make job titles consistent across functional units, and develop standardized position descriptions that accurately reflect job requirements.
33. Establish a tracking system to monitor employee needs and completion of coursework.
34. Continue to engage those employees who have participated in the benchmarked OIG interviews and give them ownership of process improvement ideas that have resulted from those interviews.

Longer Term Recommendations

35. Conduct a comprehensive human capital needs assessment and develop a human capital plan.
36. Establish processes for creating cross-functional teams and ultimately build them into its work planning process.

Benchmark Area #8

Performance Measures



Future State

- Amtrak OIG has performance metrics that reflect the requirements of the Inspector General Act; meet the expectations of GAO and Congress; reflect the value of OIG work to Amtrak; and align with OIG strategic goals. These metrics are integrated into OIG's operating and performance management systems.

Key Observations

- OIG management recognizes the need for traditional quantitative measures, as well as subjective and qualitative measures, in order to appropriately gauge the value/impact of OIG work.
- The measures in the Strategic Plan provides a good starting point for identifying the most critical output and outcomes measures related to internal OIG operations, but there are too many and many are not measurable. Amtrak OIG does not have a system in place to track standard OIG performance measures.

Recommendations

Quick Wins

37. Establish a process to track, on at least a quarterly basis, the metrics that all OIGs must report.
38. Start the process of engaging Board members and Amtrak leadership in a discussion about how to measure the value of OIG work in a meaningful way.

Longer Term Recommendations

39. Engage the Amtrak Board and senior leadership in an ongoing dialogue about how the OIG can effectively measure the value and impact of its work, and cooperatively identify qualitative and quantitative performance measures.
40. Identify the most critical managerial and operational performance objectives and track their achievement systematically.
41. Incorporate key organizational performance measures into its individual performance management system.

Next Steps

- **Develop implementation roadmaps for the following four areas:**
 - **Human Capital Management**
 - **Quality and Timely Work Processes**
 - **Work Planning and Prioritization**
 - **Performance Measurement**
- **Identify Executive Sponsor, Initiative Leader, and Staff Work Team for each roadmap**