




Memorandum

To: William N. Feidt
Executive Vice President/Chief Financial Officer

From: Stephen Lord 
Assistant Inspector General, Audits

Date: November 6, 2018

Subject: Engagement Memo—Controls Over Reimbursable Ancillary Services
(Project code 003-2019)

We are initiating an audit of the company's processes for providing reimbursable ancillary services, such as the maintenance, engineering, and capital improvement services provided to freight and commuter operators on a reimbursable cost basis. Our objective will be to assess the extent to which the company is effectively and efficiently managing these services, including the process and controls related to identifying the full cost of and billing for these services. Our scope will include reviewing the services provided in fiscal years 2016, 2017, and 2018. We may expand our scope or modify our objective during the audit.

During the audit, we plan to analyze documents and data related to the coding, processing and tracking of reimbursable services. We will request documents as our work progresses. We also will work to minimize the impact of the audit by coordinating interviews of company officials and other work with staff in advance.

Our work will be performed in accordance with generally accepted government auditing standards. Our interactions with the company will be consistent with P/I2.1.3, which sets forth the relationship between our office and the company. In particular, section 7.0 of the policy discusses coordination between company officials and our office of audits. To view this policy, see <http://wiki.corp.nrpc/display/APIM20/2.0+Inspector+General>.

We request that your office arrange an entrance conference for us with the appropriate company officials at the earliest possible date. We will keep you advised of the status of our work and any material changes in our objective, should they occur.

Dorian Herring will be the audit manager for this engagement and will report to Anne Keenaghan, Senior Director – Audits. If you have any questions, please contact me at (202) 906-4600 (stephen.lord@amtrakoig.gov); Jason Venner, Deputy Assistant Inspector General – Audits at (202) 906-4405 (jason.venner@amtrakoig.gov); or Anne Keenaghan at (215) 349-2743 (anne.keenaghan@amtrakoig.gov).

cc: Eleanor Acheson, Executive Vice President/General Counsel & Corporate Secretary
Stephen Gardner, Executive Vice President/Chief Commercial Officer
Tim Griffin, Executive Vice President/Chief Marketing Officer
Ken Hylander, Executive Vice President/Chief Safety Officer
Scot Naparstek, Executive Vice President/Chief Operating Officer
DJ Stadtler, Executive Vice President/Chief Administration Officer
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