



OFFICE *of* INSPECTOR GENERAL  
NATIONAL RAILROAD PASSENGER CORPORATION

# ANNUAL AUDIT PLAN FOR 2023

OIG-AP-2023 | February 14, 2023

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## INSPECTOR GENERAL'S MESSAGE

We are pleased to present our audit plan for calendar year 2023. In developing this year's plan, we aligned our work with the historic opportunities and challenges that Amtrak (the company) faces as it begins to spend the largest federal investment in its history under the Infrastructure Investment and Jobs Act (IIJA),<sup>1</sup> including \$22 billion in direct funding and potentially tens of billions more in other federal grants to eliminate the company's maintenance backlog and modernize the Northeast Corridor.<sup>2</sup> The company also continues to deal with persistent cyber and physical security threats and the need to evolve its systems and processes to minimize those risks. Finally, as ridership returns after unprecedented pandemic-related lows, providing best-in-class customer service continues to challenge an understaffed workforce.

Recognizing these challenges, we have begun a series of audits to assess how the company is promoting safety, safeguarding IIJA funding, and addressing other emerging risks. For example, we are evaluating the company's efforts to expand its workforce to execute the burgeoning number of capital programs receiving IIJA funding. We also expect to report this Spring on the company's ability to track project costs and therefore be accountable to its Board of Directors, the Federal Railroad Administration, Congress, and taxpayers. Further, we are assessing the company's oversight and management of the New Acela high-speed trainset acquisition and the timely completion of supporting infrastructure projects necessary for launching revenue service. Finally, we recently initiated a new audit to assess insider threats to the company's information security.

In calendar year 2023, we plan to continue our oversight of IIJA funds, focusing on how the company is tracking its IIJA expenditures and measuring their impact. At the same time, we will continue to focus on other high-risk and high-impact issues. This includes an assessment of the company's efforts to prevent trespasser deaths, which remains a perennial and complex safety issue. We also plan to assess the company's management and oversight of two multi-billion-dollar infrastructure projects (replacements of the Portal North Bridge and the Baltimore and Potomac tunnel), as well as an audit to evaluate the customer service performance of front-line employees.

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

<sup>2</sup> 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 for 2023, we assessed the results of our prior work and what they indicated about the company's challenges and opportunities to use its federal funding. We also assessed the key risks and challenges of particular interest to the Board of Directors, Federal Railroad Administration, company leadership, and members of Congress. We used this information to identify audits that could help the company achieve its mission and advance our statutory responsibilities. We have summarized the results of this work in two tables: Table 1 lists our ongoing audits, and Table 2 lists the audits we plan to initiate during calendar year 2023 in priority order.

As the year unfolds, we will continue to monitor emerging risks and, if necessary, revise our plan to ensure that we continue to focus our resources on the issues most relevant to the company and its stakeholders. We welcome input on our planned work. 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 2023)**

Title	Focus Area <sup>a</sup>
1. <b>Private security contractors.</b> Assess the effectiveness of the company's oversight and coordination of private security contractors, systemwide.	Safety and Security
2. <b>New Acela program delivery.</b> Assess the company's management and oversight of the \$2.2 billion New Acela program, including the high-speed trainset acquisition and other program components necessary for launching revenue service.	Major Programs
3. <b>Customer service data.</b> Assess the company's efforts to collect and use customer service data to improve the customer experience.	Train Operations
4. <b>Agreement workforce.</b> Assess the company's efforts to build and maintain an agreement workforce that can execute its growth and renewal plans.	Human Capital
5. <b>Inventory controls and management.</b> Evaluate the company's processes and controls to manage and safeguard its inventory of materials, tools, and supplies.	Asset Management
6. <b>Project cost management.</b> Assess the effectiveness of the company's systems and processes to track and manage project costs.	Governance
7. <b>Insider threats to information security.</b> Assess the effectiveness of the company's controls to protect its systems and data from intentional and unintentional insider threats.	Technology
8. <b>Fraud Risk.</b> Survey prior work and current perspectives of company leadership to identify areas of fraud vulnerability and highlight areas for enhanced focus.	Governance
9. <b>Oversight of the fiscal year (FY) 2022 single audit.</b> <sup>b</sup>	Financial Management

Notes:

<sup>a</sup> We group our work into nine strategic focus areas: Asset Management, Financial Management, Governance, Human Capital, Technology, Major Programs, Procurement, Safety and Security, and Train Operations.

<sup>b</sup> 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 2023**

Title	Issue Area
1. <b>Trespasser strikes.</b> Assess the company's efforts to prevent pedestrian trespasser deaths on the Northeast Corridor and throughout the National Network.	Safety and Security
2. <b>IJA grant compliance.</b> Assess the company's controls to ensure compliance with key terms of the IJA funding grant.	Financial Management
3. <b>Gateway—Portal North Bridge.</b> Assess the company's efforts to manage its partnership with New Jersey Transit and oversee company funding as construction advances on the project, which could exceed \$2.0 billion.	Major Programs
4. <b>Long-distance equipment procurement.</b> Assess the company's management and oversight of its procurement of the next generation of equipment for long-distance trains.	Major Programs
5. <b>Post-award contract oversight.</b> Assess the extent to which the company's designated contracting technical representatives conduct effective contract oversight. <sup>a</sup>	Procurement
6. <b>Compliance with the Americans with Disabilities Act (ADA).</b> Assess the company's progress in ensuring that all rail stations comply with requirements under the act. <sup>b</sup>	Major Programs
7. <b>Baltimore and Potomac tunnel.</b> Assess the company's project management framework to govern how it will deliver the estimated \$6.0 billion tunnel replacement program.	Major Programs
8. <b>Customer service of front-line employees in stations and on trains.</b> Assess the extent to which the company's customer-facing employees support its strategic goal of providing world-class customer service.	Train Operations
9. <b>Time and attendance tracking.</b> Assess the extent to which the company has effective processes and controls in place to prevent timekeeping fraud, waste, and abuse.	Governance
10. <b>Business continuity and disaster recovery of operational technology systems.</b> Assess the company's business continuity and disaster recovery processes for operational technology systems.	Technology
11. <b>Oversight of the FY 2023 single audit.</b> <sup>c</sup>	Financial Management
12. <b>Oversight of the FY 2023 consolidated financial statement audit.</b> <sup>c</sup>	Financial Management

Notes:

<sup>a</sup> This audit is a follow-up to our prior report, *Weaknesses in Contract Oversight Pose Financial, Operational, and Legal Risks* (OIG-A-2019-004), March 4, 2019.

<sup>b</sup> This audit is a follow-up to our prior report, *Better Planning and Coordination Could Help the Company Achieve its Aggressive Timeline for ADA Compliance* (OIG-A-2021-012), September 2, 2021.

<sup>c</sup> The monitoring of this audit is required by the Inspector General Act of 1978, as amended.

# OIG MISSION AND CONTACT INFORMATION

## Mission

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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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Report suspicious or illegal activities to the OIG Hotline

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or

800-468-5469

## Contact Information

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