



UNITED STATES OFFICE OF PERSONNEL MANAGEMENT

Washington, DC 20415

Office of the
Inspector General

December 16, 2021

System Review Report

Mr. Kevin H. Winters
Inspector General
National Railroad Passenger Corporation
10 G St NE Suite 3W-300
Washington, D.C. 20002

Dear Mr. Winters:

We have reviewed the system of quality control for the audit organization of the National Railroad Passenger Corporation (Amtrak) Office of Inspector General (OIG) in effect for the year ended September 30, 2021. A system of quality control encompasses Amtrak OIG's organizational structure and the policies adopted and procedures established to provide it with reasonable assurance of conforming with *Government Auditing Standards*. The elements of quality control are described in *Government Auditing Standards*.

In our opinion, the system of quality control for the audit organization of Amtrak OIG in effect for the year ended September 30, 2021, has been suitably designed and complied with to provide Amtrak OIG with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects.

Audit organizations can receive a rating of *pass*, *pass with deficiencies*, or *fail*. Amtrak OIG has received an External Peer Review rating of *pass*.

Monitoring of GAGAS Engagements Performed by Independent Public Accountants

In addition to reviewing its system of quality control to ensure adherence with *Government Auditing Standards*, we applied certain limited procedures in accordance with guidance established by the Council of the Inspectors General on Integrity and Efficiency (CIGIE) related to Amtrak OIG's monitoring of engagements conducted in accordance with generally accepted government auditing standards (GAGAS engagements) by Independent Public Accountants (IPAs) under contract where the IPA served as the auditor. It should be noted that monitoring of GAGAS engagements performed by IPAs is not an audit and, therefore, is not subject to the requirements of *Government Auditing Standards*. The purpose of our limited procedures was to determine whether Amtrak OIG had controls to ensure IPAs performed contracted work in accordance with professional standards. However, our objective was not to express an opinion;

accordingly, we do not express an opinion on Amtrak OIG's monitoring of work performed by IPAs.

Basis of Opinion

Our review was conducted in accordance with *Government Auditing Standards* and the *CIGIE Guide for Conducting Peer Reviews of Audit Organizations of Federal Offices of Inspector General*.

During our review, we interviewed Amtrak OIG personnel and obtained an understanding of the nature of the Amtrak OIG audit organization, and the design of Amtrak OIG's system of quality control sufficient to assess the risks implicit in its audit function. Based on our assessments, we selected GAGAS engagements and administrative files to test for conformity with professional standards and compliance with Amtrak OIG's system of quality control. The GAGAS engagements selected represented a reasonable cross-section of the Amtrak OIG audit organization, with an emphasis on higher-risk engagements.

In performing our review, we obtained an understanding of the system of quality control for the Amtrak OIG audit organization. In addition, we tested compliance with Amtrak OIG's quality control policies and procedures to the extent we considered appropriate. These tests covered the application of Amtrak OIG's policies and procedures on selected GAGAS engagements. Our review was based on selected tests; therefore, it would not necessarily detect all weaknesses in the system of quality control or all instances of noncompliance with it.

Prior to concluding the peer review, we reassessed the adequacy of the scope of the peer review procedures and communicated to Amtrak OIG management the results of our review. We believe that the procedures we performed provide a reasonable basis for our opinion. The enclosure to this report identifies the engagements we reviewed. Because of COVID-19, our review was performed remotely and no offices were visited.

Responsibilities and Limitations

Amtrak OIG is responsible for establishing and maintaining a system of quality control designed to provide it with reasonable assurance that the organization and its personnel comply in all material respects with professional standards and applicable legal and regulatory requirements. Our responsibility is to express an opinion on the design of the system of quality control and Amtrak OIG's compliance, based on our review.

There are inherent limitations in the effectiveness of any system of quality control; therefore, noncompliance with the system of quality control may occur and may not be detected. Projection of any evaluation of a system of quality control to future periods is subject to the risk that the system of quality control may become inadequate because of changes in conditions, or because the degree of compliance with the policies or procedures may deteriorate.

Sincerely,

Norbert E. Vint
Deputy Inspector General
Performing the Duties of the Inspector General
U.S. Office of Personnel Management

Enclosure

Scope and Methodology

We tested compliance with the Amtrak OIG audit organization's system of quality control to the extent we considered appropriate. These tests included a review of three of seven engagement reports conducted in accordance with generally accepted government auditing standards (GAGAS engagements) issued from October 1, 2020, through September 30, 2021. We also reviewed the internal quality control reviews performed by Amtrak OIG.

In addition, we reviewed Amtrak OIG's monitoring of one of two GAGAS engagements performed by IPAs where the IPA served as the auditor from October 1, 2020, through September 30, 2021. During the period, Amtrak OIG contracted for the audit of its agency's fiscal year 2020 financial statements.

We reviewed Amtrak OIG's audit policies and procedures, and continuing professional education and independence documentation; interviewed management and staff; and completed the following checklists from the CIGIE Guide for Conducting Peer Reviews of Audit Organizations of Federal Offices of Inspector General:

- Appendix A – Policies and Procedures
- Appendix B – Checklist for the Standards of Independence, Competence and Continuing Professional Education, and Quality Control and Peer Review
- Appendix E – Checklist for Performance Audits Performed by the Office of Inspector General
- Appendix F – Checklist for the Monitoring of GAGAS Engagements Performed by an Independent Public Accounting Firm

We performed our review work from October 2021 to December 2021 remotely in the Washington, D.C. area.

We reviewed the following GAGAS engagements performed by Amtrak OIG:

Report Number	Report Date	Report Title
OIG-A-2021-001	October 2, 2020	Safety and Security: The Company Can Take Steps to Evaluate Its Current Safety Culture
OIG-A-2021-004	December 11, 2020	Safety and Security: Amtrak Expects Positive Train Control will be Interoperable with Other Railroads but Could Better Measure System Reliability
OIG-A-2021-012	September 2, 2021	Governance: Better Planning and Coordination Could Help the Company Achieve its Aggressive Timeline for ADA Compliance

We reviewed the monitoring files of the Amtrak OIG for the following contracted GAGAS engagement:

Report Number	Report Date	Report Title
OIG-A-2021-006	December 23, 2020	Governance: Quality Control Review Independent Audit of Amtrak's Consolidated Financial Statements for Fiscal Year Ended 2020