



Memorandum

To: Bill Feidt
Executive Vice President/Chief Financial Officer

From: Stephen Lord 
Assistant Inspector General, Audits

Date: May 10, 2017

Subject: Engagement Memo—Mechanical Department's Operating Efficiency
(Project code 010-2017)

We plan to review the Mechanical department's operating efficiency. Our audit objective is to assess how the Mechanical department's operating efficiency compares with that of other rail operators and leading practices in the private and public sectors to identify opportunities for improvement.

During the audit, we plan to review how the department is organized and staffed—including its use of contractors, in relation to its responsibilities and workload—and review the processes and performance metrics used to monitor the departments' workload and operating efficiencies at its three major maintenance facilities (Wilmington and Bear, Delaware and Beech Grove, Indiana), as well as its 13 preventative maintenance facilities located throughout the United States. Our request for documents and interviews will be made as our work progresses. We also will work to minimize the impact of the audit by coordinating interviews and observations 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.

Melissa Hermes will be the audit manager for this engagement and reports to Michael Kennedy, Senior Director—Audits. If you have any questions, please contact me at (202) 906-4600 (stephen.lord@amtrakoig.gov) or Michael Kennedy at (202) 906-4308 (michael.kennedy@amtrakoig.gov).

cc: Eleanor D. Acheson, Executive Vice President/General Counsel and
Corporate Secretary
Scot L. Naparstek, Executive Vice President/Chief Operating Officer
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