



Office of the
Inspector General

UNITED STATES OFFICE OF PERSONNEL MANAGEMENT

Washington, DC 20415

January 29, 2016

The Honorable Tom Howard
Inspector General
Amtrak
Office of Inspector General
10 G St NE
Suite 3W-300
Washington, D.C. 20002

Subject: System Review Report on the Amtrak Office of Inspector General Audit Organization

Dear Mr. Howard:

We have reviewed the system of quality control for the audit organization of the Amtrak Office of Inspector General (OIG) in effect for the year ended September 30, 2015. A system of quality control encompasses the 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 the *Government Auditing Standards 2011 Revision*. The Amtrak OIG is responsible for establishing and maintaining a system of quality control that is designed to provide the Amtrak OIG with reasonable assurance that the organization and its personnel comply with professional standards and applicable legal and regulatory requirements in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the Amtrak OIG's compliance therewith based on our review.

Our review was conducted in accordance with *Government Auditing Standards* and the Council of the Inspectors General on Integrity and Efficiency (CIGIE) September 2014 *Guide for Conducting Peer Reviews of the 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 the Amtrak OIG's system of quality control sufficient to assess the risks implicit in its audit function. Based on our assessments, we selected engagements and administrative files to test for conformity with professional standards and compliance with the Amtrak OIG's system of quality control. The engagements selected represented a reasonable cross-section of the Amtrak OIG's audit organization, with emphasis on higher-risk engagements. Prior to concluding the peer review, we reassessed the adequacy of the scope of the peer review procedures and met with the Amtrak OIG management to discuss the results of our review. We believe that the procedures we performed provide a reasonable basis for our opinion.

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 the Amtrak OIG's quality control policies and procedures to the extent we considered appropriate. These tests covered the application of the Amtrak OIG's policies and procedures on selected 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.

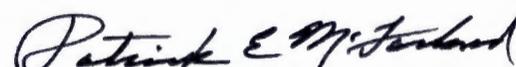
There are inherent limitations in the effectiveness of any system of quality control, and, therefore, noncompliance with the system of quality control may occur and not be detected. Projection of any evaluation of a system of quality control to future periods is subject to the risk that the system of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

Enclosed is a Scope and Methodology section that identifies the Amtrak OIG offices that we visited and the engagements that we reviewed.

In our opinion, the system of quality control for the audit organization of the Amtrak OIG in effect for the year ended September 30, 2015, has been suitably designed and complied with to provide the 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*. The Amtrak OIG has received an External Peer Review rating of *pass*.

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 CIGIE related to the Amtrak OIG's monitoring of audits performed by Independent Public Accountants (IPAs) under contract, where the IPA served as the auditor. It should be noted that monitoring of audits 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 the Amtrak OIG had controls to ensure IPAs performed contracted work in accordance with professional standards. However, our objective was not to express an opinion and accordingly, we do not express an opinion, on the Amtrak OIG's monitoring of work performed by IPAs.

Sincerely,



Patrick E. McFarland

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 five audit reports issued during the period October 1, 2014, through September 30, 2015. We also reviewed the internal quality control reviews performed by the Amtrak OIG.

In addition, we reviewed the Amtrak OIG's monitoring of engagements performed by IPAs where the IPA served as the auditor. During the period of our review, Amtrak contracted for the audit of its agency's fiscal years 2012 and 2013 financial statements. The Amtrak OIG served as the primary party responsible for monitoring the IPA's work.

We used the CIGIE *Guide for Conducting Peer Reviews of the Audit Organizations of Federal Offices of Inspector General*, dated September 2014, to conduct our review. We visited the Amtrak OIG offices in Washington, D.C. and performed our review work from October 2015 to January 2016 in Washington, D.C. We reviewed the following audit reports:

| Report Number | Report Date | Report Title |
|-----------------|-------------------|--|
| OIG-E- 2015-001 | October 23, 2014 | Asset Management: Opportunities Exist to Enhance Decision-Making Process for Utilization of Long-Distance Equipment |
| OIG-A- 2015-005 | February 11, 2015 | Governance: Opportunities Exist to Improve the Efficiency of Procurement Practices for Goods and Services |
| OIG-A- 2015-008 | March 10, 2015 | Acquisition and Procurement: Improved Management Will Lead to Acela Parts Contract Cost Savings |
| OIG-A-2015-010 | May 19, 2015 | Information Technology: Reservation System Infrastructure Updated, but Future System Sustainability Remains an Issue |
| OIG-A-2015-013 | June 19, 2015 | Safety and Security: Progress Made Implementing Positive Train Control, but Significant Challenges Remain |

We reviewed the monitoring files for the following financial audit conducted by IPAs:

| Report Number | Report Date | Report Title |
|-----------------|------------------|--|
| OIG-A- 2015-003 | January 13, 2015 | Quality Control Review: Independent Audit of Amtrak's Consolidated Financial Statements for Fiscal Years Ended 2013 and 2012 |