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Source of document: Office of Inspector General
National Railroad Passenger Corporation
10 G St. NE, Suite 3W-300
Washington D.C., 20002
Attn: FOIA Request
Email: foia@amtrakoig.gov
Fax: (202) 906-4695 (Attn: FOIA Request)

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VIA E-MAIL

January 9, 2016



Re: Freedom of Information Act Request

Your December 27, 2016 request for information made under the Freedom of Information Act (FOIA) was received via e-mail by Amtrak's FOIA Office on the same date.

Your request seeks the records described below:

1. The entire Amtrak OIG Audit and Evaluation Manual (2010)

This section of your request will be processed by Amtrak's OIG. The response from the OIG will be provided to you under separate cover. If you have any questions, please contact:

Ms. Nadine Jbaili
Amtrak Office of Inspector General
10 G Street, NE
Washington, DC 20002
Phone: (202) 906-4521
Email: Nadine.Jbaili@amtrakoig.gov

You have also requested a copy of the title page and table of contents only of the following manuals:

1. the Station Service Standards and Operations Manual
2. the Reservation, Ticketing and Station Procedures (RTSP) Manual
3. the Amtrak Procurement Card Manual
4. the Amtrak Crew Base Manual
5. the Amtrak Capital Projects Management Requirements Manual
6. the Amtrak Service Standards Manual

Your request has been classified as category IV - that is, a request other than for commercial-use, from a representative of the news media, or from an educational nonscientific institution. The first two hours of search time and the first 100 pages are free of charge. Thereafter, requesters are charged \$38 per hour for search time and 25 cents per page for reproduction of records. You have requested that the above-referenced records be provided in electronic format. You have also agreed to pay up to \$25 in processing fees.

January 9, 2017
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If you have any questions regarding your request, please feel free to contact me at hawkins@amtrak.com.
For ease of reference, your request has been assigned tracking number 17-FOI-00053.

Sincerely,

A handwritten signature in black ink, appearing to read "Sharron Hawkins", with a long horizontal flourish extending to the right.

Sharron Hawkins
Lead FOIA Specialist

cc: Nadine Jbaili



NATIONAL RAILROAD PASSENGER CORPORATION
Office of Inspector General
10 G Street N.E., Suite 3W-300
Washington DC 20002

POLICY NUMBER 2200.1

OIG (Audit)

August 4, 2010

Subject: AUDIT AND EVALUATION DATA RELIABILITY GUIDANCE

Reference: (a) Government Accountability Office's *Government Auditing Standards, July 2007 Revision*

1. PURPOSE. This document establishes guidance for use in the assessment of computer-processed data. This guidance is consistent with Reference (a), the Government Accountability Office's (GAO) *Government Auditing Standards, July 2007 Revision*.

2. APPLICABILITY AND SCOPE. This guidance is provided for use by the audit and evaluation staff who conduct audits and evaluations that cite generally accepted government auditing standards (GAGAS).

3. REFERENCES AND DEFINITIONS. Various tests of sufficiency and appropriateness are used for performance audits and evaluations and attestation engagements to assess whether the GAGAS evidence standard is met. However, computer processed data have special requirements.

a. Under GAGAS 7.65 for Performance Audits. Auditors should assess the sufficiency and appropriateness of computer-processed information regardless of whether this information is provided to auditors or auditors independently extract it. The nature, timing, and extent of audit procedures to assess sufficiency and appropriateness is affected by the effectiveness of the entity's internal controls over the information, including information systems controls, and the significance of the information and the level of detail presented in the auditors' findings and conclusions in light of the audit objectives.

b. For Attestations GAGAS 6.22 d states. Auditors also should document the following for attestation engagements performed under GAGAS: the auditors' consideration that the planned procedures be designed to achieve objectives of the attestation engagement when (1) evidence obtained is dependent on computerized information systems, (2) such evidence is material to the objective of the engagement, and (3) the auditors are not relying on the effectiveness of internal control over those computerized systems that produced the evidence. Auditors should document (1) the rationale for determining the nature, timing, and extent of planned procedures; (2) the kinds and competence of available evidence produced outside a computerized information system, or plans for direct testing of data produced from a computerized information system; and (3) the effect on the attestation engagement report if evidence to be gathered does not afford a reasonable basis for achieving the objectives of the engagement.

c. Information on GAGAS requirements for financial audits is contained in Chapter 13 – Financial Audits.

d. For the purposes of this guidance as defined by GAO in GAO -09-680G - Assessing the Reliability of Computer-Processed Data:

(1) Computer-processed data may be data entered into a computer system or resulting from computer processing. This could include data extracts from Amtrak or contractor databases; data maintained in Microsoft Excel or Access records; public use data such as population of major metropolitan areas; data collected from forms and surveys; and data summarized in a report or copied from a table in a document.

(2) Data Reliability refers to the accuracy and completeness of computer-processed data, given the uses they are intended for. Reliability means that data are reasonably complete and accurate, meet your intended purposes, and are not subject to inappropriate alteration. Completeness refers to the extent that relevant records are present and the fields in each record are populated appropriately. Accuracy refers to the extent that recorded data reflect the actual underlying information.

(3) Appropriateness includes validity and reliability, which in turn includes the completeness and accuracy of the data.

(4) Completeness refers to the extent relevant records are present and the fields in each record are appropriately populated.

Additional information is available in "Assessing the Reliability of Computer-Processed Data, July 2009, External Version I" issued by GAO.

4. APPROACH

a. This guide relies on the GAO guidance and provides a flexible, risk-based approach to data reliability assessments. It can be adjusted to the specific audit or evaluation. The goal is to determine whether the Office of Inspector General (OIG) can use the data for our intended purposes.

b. Consistent with the GAO guidance, this document relies on making use of existing information about the data, conducting only the amount of work needed to determine if the data are reliable for the audit or evaluation's purposes, maximizing professional judgment, and involving key OIG staff and management at decision points.

c. A data reliability assessment should be performed for computer-processed data that materially support findings, conclusions, or recommendations. According to the Yellow Book, auditors should assess the sufficiency and appropriateness of computer-processed information, regardless of whether this information is provided to auditors or they extract it independently.

d. The audit or evaluation team will make an initial assessment as outlined in sections 5 a through f, below. If determined necessary by the team in consultation with management, the team will plan, conduct and document a more extensive assessment with the assistance of specially trained OIG staff (5g).

e. The assessment results including information reviewed and decisions reached will be documented in TeamMate or in the hard copy files.

5. GUIDANCE

a. Audit and evaluation staff will consider data validity and reliability issues early in a job, during the planning process. Determining what data the team will need to answer the audit or evaluation objectives is key to this process. Remember, the extent of the assessment depends on the:

- expected importance of the data to the final report,
- strength or weakness of any corroborating evidence, and
- anticipated level of risk in using the data.

b. The team does not need to assess the reliability of data if their use in the report does not materially affect findings, conclusions or recommendations (e.g., background material). Additionally, if your report relies on data that is used for widely accepted purposes and is from appropriate sources, it may not be practicable or necessary to assess such data (e.g., Department of Commerce published economic data).

c. To determine the extent of the assessment, consider:

- Use of the data in the final report - For example a more in depth assessment may be necessary if the data is the only source of information available, or the data will be reported in detailed versus summarized, or if the objectives require very precise data.
- Corroborating evidence - If there is other independent evidence to support the report, the extent of assessment may be less.
- Risk in using the data - According to GAO, risk is the likelihood that using data of questionable reliability could have substantial negative consequences on the decisions of policymakers and others. For example, the risk maybe higher if the data were used to inform important policy changes; or have substantial effect on a program such as cancelling a large contract to upgrade a system; or used to inform important decisions by individuals or organizations with an interest in the subject such as a board decision on future route structure; or will be the basis for numbers that are likely to be widely quoted; or are relevant to a sensitive or controversial subject such as the security of the trains.

d. Obtain a general understanding of how the data are collected and the system and its controls. For example, if your objectives and potential findings dealt with Amtrak load factors, the team would want to obtain a basic understanding of how the data are collected and what kind of checks are made or controls used to help keep the data accurate and complete. For the more extensive assessments, technical experts are available to help the team with this step.

e. Review existing information on the data. The team could review prior OIG, GAO or company audit and evaluation reports, internal Amtrak reviews, and other studies that looked at the data your audit or evaluation will be relying on. Another possible action is to interview the

Amtrak staff responsible for the system and the data to identify any concerns they may know of or have about the data.

f. Perform basic testing. Look for obvious errors using a judgmental basis. Examples:

- Are data missing in key fields?
- Are there obvious calculation errors?
- Are there data outside the valid timeframe?
- Are there data outside the designated range?
- Is there obvious duplication of records?
- Are there numbers in alpha fields or visa versa?
- Are there negative amounts in positive fields or visa versa?
- Are the data consistent with prior trends?

g. If based on your work to this point you can make a conclusion about the reliability of the data, then document your work. If not, seek assistance from expert staff in the OIG on further electronic and trace testing and system control review to complete the data reliability assessment for your audit or evaluation.

h. Document in TeamMate or the hard copy files what steps you performed and the results of any testing, document review and interviews the team performed. The team's conclusions on the data reliability for the purposes of your audit or evaluation should be summarized in your work papers.



THEODORE P. ALVES
Inspector General

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NATIONAL RAILROAD PASSENGER CORPORATION
Office of Inspector General
10 G Street N.E., Suite 3W-300
Washington DC 20002

POLICY NUMBER 2201.2

OIG (Audit)

January 25, 2011

Subject: AUDIT AND EVALUATION MANUAL: CHAPTER 1 - INTRODUCTION AND PROFESSIONAL STANDARDS

Reference: (a) Government Accountability Office's *Government Auditing Standards, July 2007 Revision*

Enclosures: (1) Chapter 1 – Standards for Financial Audits
(2) Chapter 1 – Standards for Attestations
(3) Chapter 1 – Standards for Performance Audits

1. PURPOSE. This chapter establishes the professional standards that are used by the Office of Inspector General (OIG) Audit and Evaluation offices and describes the types of audits and evaluations that staff may perform and the standards that apply to each type. This guidance conforms with Reference (a), the Government Accountability Office's (GAO) *Government Auditing Standards, July 2007 Revision*, which is commonly referred to as the Yellow Book (<http://www.gao.gov>). The Yellow Book contains the generally accepted government auditing standards (GAGAS) that provide a framework for conducting high quality government audits. The Inspector General Act of 1978, as amended, requires the Inspectors General to comply with GAGAS when conducting audits. This chapter also establishes the requirement for evaluations to be performed in accordance with GAGAS.

2. CANCELLATION. This policy supersedes OIG Policy 2201.1: Chapter 1 – Introduction and Professional Standards of June 21, 2010.

3. APPLICABILITY. The provisions of this policy are applicable to all OIG staff performing audits, attestation engagements, and evaluations that cite GAGAS and non-audit services.

4. POLICY. Audits and most evaluations will be conducted in accordance with GAGAS. Staff must not cite GAGAS when reporting on non-audit services (See OIG Policy 2204.1: Chapter 4 – Non-audit Services).

a. The Assistant Inspector General for Audits (AIG for Audits) is responsible for supervising the performance and ensuring the quality of audits performed under GAGAS and for communicating policies and procedures relating to audit quality to the staff.

b. All audit staff must be familiar with and follow GAGAS and this chapter when performing audits. Staff should include the appropriate GAGAS compliance statement when reporting on audits and attestation engagements.

c. The Assistant Inspector General for Inspections and Evaluations (AIG for I&E) is responsible for supervising the performance and ensuring the quality of evaluations performed under GAGAS and for communicating policies and procedures relating to evaluation quality to the staff.

d. All evaluation staff must be familiar with GAGAS and this chapter when performing evaluations. Staff should include the appropriate GAGAS compliance statement when reporting on evaluations.

5. STANDARDS. Before beginning an assignment, staff members will determine the type of work to be performed and document their decision. The types of work are:

a. Financial Audit. Financial audits provide an independent assessment of and reasonable assurance about whether the reported financial condition, results, and use of resources are presented fairly in accordance with recognized criteria. Financial statement audits are primarily concerned with providing reasonable assurance about whether financial statements are presented fairly in conformity with generally accepted accounting principles (GAAP) or with a comprehensive basis of accounting other than GAAP. Other types of financial audits provide for different levels of assurance and entail various scopes of work. Financial audits are governed by the American Institute of Certified Public Accountants (AICPA) field work and reporting standards and related Statements on Auditing Standards (SAS), which are incorporated into GAGAS. Financial audit standards are summarized in Enclosure (1). Specific guidance shall be included in OIG Policy 2213.1: Chapter 13 - Conducting Financial Audits.

b. Attestation Engagement. Attestation engagements cover a broad range of financial or nonfinancial objectives and provide different levels of assurance about the subject matter or assertion depending on the users' needs. Attestation engagements consist of an examination, a review, or an agreed-upon procedures report on a subject matter or on an assertion about a subject matter that is the responsibility of another party. Attestation engagements are governed by the AICPA's general standards on criteria and field work and reporting standards and related AICPA Statements on Standards for Attestation Engagements (SSAE), which are incorporated into GAGAS. Attestation engagement standards are summarized in Enclosure (2). Specific guidance is included in OIG Policy 2211.1: Chapter 11 - Conducting Attestation Engagements.

c. Performance Audit. Performance audits provide assurance or conclusions based on an evaluation of sufficient, appropriate evidence against stated criteria. They provide objective analysis so that management and those charged with governance and oversight can use the information to improve program performance and operations, reduce costs, facilitate decision making by parties with responsibility for overseeing or initiating corrective action, and contribute to public accountability. Performance audits are conducted in accordance with GAGAS. Performance audit standards are summarized in Enclosure (3). Specific guidance is included in OIG Policy 2205.1: Chapter 5 - Conducting Performance Audits.

d. Testimony. Testimony will be prepared consistent with the underlying principles in GAGAS. Specific guidance is included in OIG Policy 2212.1: Chapter 12 on preparing testimony.

e. Evaluations. It is the OIG's preference that evaluations be conducted in accordance with GAGAS for performance audits and that all reports cite the evaluation was conducted in accordance with GAGAS. However, we recognize that there will be instances where an evaluation will not be done in complete compliance with GAGAS. Therefore, the AIG for I&E, in consultation with the Deputy IG, will document in the work papers the decision that an

evaluation does not fully comply with GAGAS and why. Such reports must not cite GAGAS. Specific guidance is in OIG Policy 2205.1: Chapter 5 on performance audits.

f. Non-audit Service. Non-audit services are professional services that are not covered by GAGAS. When performing such a service, OIG staff must not report that the non-audit service was conducted in accordance with GAGAS. Staff should communicate, as appropriate, with the requestor and those charged with governance to clarify that the scope of work performed does not constitute an audit under GAGAS. In addition, staff must ensure that a non-audit service will not jeopardize the OIG's independence. In determining if independence is jeopardized, two overarching principles apply: (1) documentation must show that the OIG is not performing management functions or making management decisions for Amtrak, and (2) the result of this service will not be a product that the OIG will audit or evaluate. The Amtrak management must take ownership of all decisions and significant assumptions that are made in relation to the non-audit service provided. Non-audit services are discussed in more detail in OIG Policy 2204.1: Chapter 4 of this manual.

A handwritten signature in black ink, appearing to read 'Theodore P. Alves', with a stylized, flowing script.

THEODORE P. ALVES
Inspector General

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CHAPTER 1

Standards for Financial Audits

GAO's *Government Auditing Standards, July 2007 Revision* (<http://www.gao.gov>), describes the generally accepted government auditing standards (GAGAS) that are used for audits and attestation engagements. For financial audits, GAGAS incorporate the American Institute of Certified Public Accountants (AICPA) field work and reporting standards and related Statements on Auditing Standards (SAS), unless specifically excluded or modified by GAGAS. The general, field work, and reporting standards for financial audits are listed below.

GAGAS Reference	Standards for Financial Audits
General Standards	
3.02 - 3.06	Independence:
3.07 - 3.09	Personal impairments
3.10 - 3.11	External impairments
3.12 - 3.30	Organizational independence
3.31 - 3.39	Professional judgment (includes requirement for professional skepticism)
3.40 - 3.49	Competence
3.50 - 3.63	Quality control and assurance
Field Work Standards	
AICPA Standards:	
4.03.a.	Adequate planning and supervision
4.03.b	Sufficient understanding of environment, including internal control
4.03.c	Sufficient appropriate audit evidence
Additional Government Auditing Standards:	
4.04.a; 4.05 - 4.08	Auditor communication during planning
4.04.b; 4.09	Previous audits and attestation engagements
4.04.c; 4.10 - 4.13	Detecting material misstatements, violations, and abuse
4.04.d; 4.14 - 4.18	Developing elements of a finding
4.04.e; 4.19 - 4.24	Audit documentation
Additional Considerations:	
4.25.a; 4.26	Materiality
4.25.b; 4.27 - 4.28	Fraud and illegal acts
4.25.c; 4.29	Ongoing investigations or legal proceedings
Reporting Standards	
AICPA Standards:	
5.03.a.	Stating if in accordance with GAAP
5.03.b	Identifying when principles have not been consistently followed
5.03.c	Stating if disclosures are not reasonably adequate
5.03.d	Expressing an opinion or stating that an opinion cannot be expressed

CHAPTER 1

Standards for Attestations

GAO's *Government Auditing Standards, July 2007 Revision* (<http://www.gao.gov>), describes the generally accepted government auditing standards (GAGAS) that are used for audits and attestation engagements. For attestation engagements, GAGAS incorporate the American Institute of Certified Public Accountants (AICPA) general standard on criteria, and the field work and reporting standards and the related Statements on the Standards for Attestation Engagements (SSAE), unless specifically excluded or modified by GAGAS. The general, field work, and reporting standards for attestation engagements are listed below.

GAGAS Reference	Standards for Attestation Engagements
General Standards	
3.02 - 3.06	Independence:
3.07 - 3.09	Personal impairments
3.10 - 3.11	External impairments
3.12 - 3.30	Organizational independence
3.31 - 3.39	Professional judgment (includes requirement for professional skepticism)
3.40 - 3.49	Competence
3.50 - 3.63	Quality control and assurance
6.03	Perform the attestation only if the subject is capable of evaluation against criteria that are suitable and available to users
Field Work Standards	
AICPA Standards:	
6.04.a	Adequate planning and supervision
6.04.b	Sufficient evidence to provide a reasonable basis for the conclusion
Additional Government Auditing Standards:	
6.05.a; 6.06 - 6.08	Auditor communication during planning
6.05.b; 6.09	Previous audits and attestation engagements
6.05.c; 6.10 - 6.12	Internal control
6.05.d; 6.13 - 6.14	Fraud, illegal acts, violations of contracts or grants, or abuse that could have a material effect on the subject matter
6.05.e; 6.15 - 6.19	Developing the elements of a finding
6.05.f; 6.20 - 6.26	Documentation
Additional Considerations	
6.26.a; 6.28	Materiality
6.27.b; 6.29	Ongoing investigations or legal proceedings
Reporting Standards	
AICPA Standards:	
6.30.a	Identifying the subject matter and state character of engagement
6.30.b	Stating conclusions based on assertion in relation to the criteria
6.30.c	Stating significant reservations about the engagement, subject, and assertion
6.30.d	Stating the restrictions of the report to specified parties

CHAPTER 1

Standards for Performance Audits

GAO's *Government Auditing Standards, July 2007 Revision* (<http://www.gao.gov>), describes the generally accepted government auditing standards (GAGAS) that are used for audits and attestation engagements. The general, field work, and reporting standards for performance audits are listed below.

GAGAS Reference	Standards for Performance Audits
General Standards	
3.02 - 3.06	Independence:
3.07 - 3.09	Personal impairments
3.10 - 3.11	External impairments
3.12 - 3.30	Organizational independence
3.31 - 3.39	Professional judgment (includes requirement for professional skepticism)
3.40 - 3.49	Competence
3.50 - 3.63	Quality control and assurance
Field Work Standards	
7.03 - 7.05	Gaining reasonable assurance, evaluate significance, and assess audit risk
7.06 - 7.12	Adequately planning work and documenting plans
7.13 - 7.15	Gaining an understanding of the program – associated risks, age, size, strategic plans, external factors that could affect it, laws, regulations, contracts or grant agreements, purpose, goals, internal control, efforts, program operations, outputs, outcomes
7.16 - 7.22	Gaining an understanding of internal control
7.23 - 7.27	Developing an understanding of information systems controls
7.28 - 7.35	Designing the audit to detect violations of laws, regulations, contracts, and grants; fraud or abuse
7.36	Considering prior audits or attestation engagements
7.37 - 7.38	Identifying audit criteria
7.39 - 7.40	Identifying sources of evidence and amount and type of evidence required
7.41 - 7.43	Considering the work of others
7.44 - 7.45	Assigning staff and other resources
7.46 - 7.49	Communicating with management, those charged with governance, and others
7.50 - 7.51	Preparing the written audit plan
7.52 - 7.54	Supervising audit staff
7.55 - 7.76; A7.01-A7.03	Obtaining sufficient, appropriate evidence
7.77 - 7.84	Preparing the audit documentation
Reporting Standards	
8.03 - 8.07	Issuing a report communicating the results
8.08 - 8.42	Ensuring the report includes objectives, scope, methodology; the audit findings, including sufficient, appropriate evidence to support findings and conclusions; limitations or uncertainties with data; deficiencies in internal control; occurrence of fraud, illegal acts, violations, or abuse; conclusions and recommendations; GAGAS compliance statement; the views of responsible officials; and the nature of any confidential or sensitive information omitted
A8.02	Ensuring the report is timely, complete, accurate, objective, convincing, clear, and concise
8.43	Distributing the report



NATIONAL RAILROAD PASSENGER CORPORATION
Office of Inspector General
10 G Street N.E., Suite 3W-300
Washington DC 20002

POLICY NUMBER 2202.2
OIG (Audit)
January 25, 2011

Subject: AUDIT AND EVALUATION MANUAL: CHAPTER 2 - INDEPENDENCE

Reference: (a) Government Accountability Office's *Government Auditing Standards, July 2007 Revision*
(b) OIG Policy 1400.1 Ethic Conduct and Conflict of Interest

Enclosures: (1) Chapter 2 - Certificate of Independence
(2) Chapter 2 - Certificate of Independence—Outside Consultant

1. PURPOSE. This chapter establishes the policies and procedures for ensuring that professional employees of the Office of Inspector General (OIG) Audit and Evaluation offices maintain independence and conforms with Reference (a), the Government Accountability Office's (GAO) *Government Auditing Standards, July 2007 Revision*, (paragraphs 3.02 through 3.30).

2. CANCELLATION. This policy supersedes OIG Policy 2202.1: Chapter 2 – Independence of June 21, 2010.

3. APPLICABILITY. This policy and procedures apply to all audit, evaluation, and other professional staff and outside consultants who conduct evaluations, performance audits, financial audits, and attestation engagements that cite generally accepted government auditing standards (GAGAS).

4. POLICY. All audit or evaluation work will be independent in both fact and appearance. Auditors and evaluators, and other professional employees, including those who review work or can directly influence an audit or evaluation outcome, are responsible for understanding GAO's independence standards and abiding by them. Each professional employee must sign a Certificate of Independence, Enclosure (1), at the start of each fiscal year and update it as needed during the year. The respective assistant inspector general (AIG) is responsible for ensuring their employees have a signed Certificate of Independence on file.

5. DEFINITION *Other professional employees* include assistant inspectors general (AIG), deputy AIGs, analysts, engineers, information technology specialists, writer-editors, attorneys and any other OIG staff who may participate in audit or evaluation work.

6. PROCEDURES. The following procedures are to be followed on all work products that cite GAGAS.

a. Types of Impairments. Each professional employee is responsible for understanding GAO's standard for independence and what constitutes a breach of independence. There are three general classes of impairments to independence: personal, external, and organizational.

The following examples provide some guidance.

(1) Examples of personal impairments include:

- seeking employment during the conduct of an audit or evaluation with the entity under review;
- an immediate or close family member, employed by the entity under review, who can exert direct and significant influence at that entity;
- significant financial interest, either direct or indirect, in the entity under review;
- responsibility for any managerial decisions at the entity under review;
- previous, concurrent, or subsequent involvement with the entity's official accounting system or programs;
- preconceived ideas toward individuals, groups, or organizations that could bias the audit or evaluation; and
- political, ideological, or social biases that result from membership or employment in a particular type of group, organization, or level of government.

(2) Examples of external impairments include:

- external interference from company management or employees, or from oversight organizations to limit or modify the audit or evaluation scope;
- interference with the selection or application of audit or evaluation procedures; and
- externally imposed restrictions on access to records or people needed to conduct the audit or evaluation.

(3) An example of an organizational impairment includes providing a non-audit service for an Amtrak program or operation that will be audited or evaluated in the future, so that staff would be auditing or evaluating the work that they had performed as part of the non-audit service. Chapter 4, Non-audit Services, provides guidance on maintaining organizational independence when providing non-audit services that do not cite GAGAS.

b. Certificates of Independence

(1) Before the beginning of each fiscal year, each AIG will request that each OIG employee complete and sign a Certificate of Independence, Enclosure (1), that is effective for the upcoming fiscal year. The certificate states that the employee:

- has read and fully understands the GAO independence standard;
- has no impairments to his or her independence; and
- has agreed to notify his or her first-level supervisor immediately if a conflict of interest or the appearance of a conflict of interest should arise during the year.

After the employee completes the certificate, the first-level supervisor must review the certificate with the employee, sign it, and forward it to the respective AIG.

(2) By October 31 of each fiscal year, each AIG must certify in writing to the Deputy Inspector General that all professional staff members have a signed Certificate of Independence on file. Each AIG will retain all signed Certificates of Independence in the OIG headquarters office and provide a copy to the employee.

(3) When a new or transferred professional employee joins the staff, the employee must sign a Certificate of Independence and review it with his or her first-level supervisor within the quarter in which he or she was hired. At the beginning of each quarter, the AIG must certify in writing to the Deputy IG that each newly hired or transferred professional employee has a signed Certificate of Independence on file. Each AIG will retain the signed Certificates of Independence and provide a copy to the employee.

(4) If during the year a professional employee's independence becomes impaired or if the appearance of an impairment or an uncertain circumstance arises, it is the employee's responsibility to immediately notify his or her first-level supervisor about this issue. Failure to do so could result in disciplinary action. Management and the employee, as appropriate, will discuss any concerns regarding an employee's independence with the OIG General Counsel. The discussion and resolution of the case will be summarized in a memorandum that is signed by all parties and is attached to the employee's Certificate of Independence and retained by the respective AIG with a copy to the employee.

(5) When an outside consultant is added to a project, the consultant will complete and sign the Certificate of Independence—Outside Consultant, Enclosure (2), which is retained by the responsible AIG. Any concerns regarding independence should be brought to the attention of the Deputy Inspector General and the respective AIG by the AIG for Management and Policy before any contract is awarded. The actions related to outside consultants should be recorded in the audit or evaluation documentation.



THEODORE P. ALVES
Inspector General

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Chapter 2
Certificate of Independence

Auditors, evaluators and other OIG employees who must sign this certificate include: Assistant Inspectors General (AIGs), Deputy AIGs, Analysts, Engineers, Information Technology Specialists, Writer-Editors, Attorneys and other OIG professional staff who may participate in audit or evaluation work.

Employee Is Independent

1. I have read the independence standard in GAO's *Government Auditing Standards*, July 2007 Revision (paragraphs 3.02 through 3.30) and I certify that, to the best of my knowledge and belief, in terms of the audits or evaluations performed in the office to which I am assigned, I am free in both fact and appearance from personal, external, and organizational impairments to independence. I do not anticipate that I will develop a conflict that will impair my independence. I understand that a false certification can lead to disciplinary action, up to and including dismissal.
2. I agree that this certification continues through the current fiscal year. Should a conflict of interest or the appearance of a conflict of interest arise and I am certain or uncertain as to its consequences, I will immediately notify my first-level supervisor.

_____ Name (print)	_____ Signature	_____ Date
_____ Position Title	_____ Period Covered	

3. The first-level supervisor will sign the applicable statement below:

I certify that I have discussed independence with _____. The staff member did not disclose any impairments or conflicts to me.

_____ First-level Supervisor (print)	_____ Signature	_____ Date
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Or

I certify that I have discussed independence with the team member listed above. Any concerns I had regarding independence were resolved in consultation with the OIG General Counsel. A memorandum summarizing this discussion and resolution, signed by all parties, is attached to this Certificate of Independence.

_____ First-level Supervisor (print)	_____ Signature	_____ Date
---	--------------------	---------------

Lack of Independence or Changes in Status

If the employee is not independent or if the employee's independence changes during the year, the employee must complete the following immediately:

4. I believe that I cannot be independent or impartial as of _____. I have attached my reason(s) and additional information.

Name (print)

Signature

Date

5. I certify that I have discussed the concerns regarding independence with the team member listed above on _____ and with the OIG General Counsel on _____. A memorandum summarizing this discussion and resolution, signed by all parties, is attached to this Certificate of Independence. We have determined that the employee is limited in his or her duties and cannot perform any official duties at this time in regards to the following:

First-level Supervisor (print)

Signature

Date

Chapter 2

Certificate of Independence for Outside Consultants

In using the work of an outside consultant, the OIG staff needs to consider the specialist as a member of the audit or evaluation team and accordingly assess the specialist's ability to perform the work and report results impartially. In conducting this assessment, OIG staff should provide the specialist with the independence standard in GAO's *Government Auditing Standards, July 2007 Revision* (paragraphs 3.02 through 3.30) and obtain representations from the specialist regarding his or her independence from the activity or program being audited or evaluated. Any concerns regarding independence should be brought to the attention of the Deputy Inspector General and respective AIG by the AIG for Management and Policy before any contract is awarded. If the specialist has an impairment to independence that cannot be resolved or accommodated, then OIG staff may not use that specialist's work.

Title and Project No:

I certify that I have read and understand the independence standard as contained in GAO's *Government Auditing Standards July 2007 Revision* (paragraphs 3.02 through 3.30) and that I comply with these requirements. Please attach additional sheets, if necessary.

_____ Name (Print)	_____ Organization/Title	_____ Date
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Signature

Or

I believe that I cannot be independent or impartial as defined in GAO's *Government Auditing Standards, July 2007 Revision* (paragraphs 3.02 through 3.30) on the above assignment for the following reasons (please state below). Please attach additional sheets if necessary.

_____ Name (Print)	_____ Organization/Title	_____ Date
-----------------------	-----------------------------	---------------

Signature

Reason:

Enclosure (2)



NATIONAL RAILROAD PASSENGER CORPORATION
Office of Inspector General
10 G Street N.E., Suite 3W-300
Washington DC 20002

POLICY NUMBER 2203.2
OIG (Audit)
January 25, 2011

Subject: AUDIT AND EVALUATION MANUAL: CHAPTER 3 – AUDIT AND
EVALUATION PLANNING

1. PURPOSE. This chapter establishes policy and procedures to guide the Office of Inspector General's (OIG) Offices of Auditing and Inspections and Evaluations (I&E) in preparing and updating the Audit and I&E plan for the OIG. Planning documents for specific audits, evaluations, and attestation engagements are discussed in Chapter 5 and Chapter 11, respectively.

2. CANCELLATION. This policy supersedes OIG Policy 2203.1: Chapter 3 – Audit and Evaluation Planning of August 24, 2010.

3. APPLICABILITY AND SCOPE. The offices of Audit and I&E are responsible for developing the annual audit and evaluation plan that describes the projects that each office proposes to initiate during a calendar year.

4. POLICY

a. OIG policy is to ensure that its financial and human resources are focused on Amtrak's highest priority missions, programs, projects, procurements, functions, and activities. Planning efforts are a primary way of achieving this goal.

b. OIG efforts to plan future work should be flexible and responsive to Amtrak's dynamic operating environment. At any time, planned work may be subject to change due to a variety of factors including higher priorities, statutory requirements, requests from key decision-makers, such as congressional members, Amtrak and Federal Railroad Administration (FRA) officials, and information received through the OIG hotline.

5. REFERENCES. Audit and evaluation planning is informed by a number of Amtrak and OIG planning documents. Audit and I&E staff members should consult these documents and other information sources in developing the annual audit and evaluation plan.

a. Amtrak's Strategic Guidance Plan. This document (October 2009) lays out the company's values, mission and goals, performance indicators, and strategies it will pursue through 2013. The plan is updated annually in the October timeframe.

b. Amtrak's 5-year Financial Plan. The plan was developed to meet the requirements of section 204 of The Passenger Rail Investment and Improvement Act (PRIIA) and is bound by the

authorized funding levels as stated in the Act. It is a companion document to and provides additional detail for Amtrak's Strategic Guidance within authorized funding constraints. The Plan is updated periodically.

c. Amtrak's annual Comprehensive Business Plan. This document provides details on Amtrak's operating, capital programs, and debt service expense budgets over a 3-year period (prior year, current year, and next year's budget request).

d. OIG's Strategic Plan. The OIG Strategic Plan sets forth the OIG's strategic priorities to promote positive change, and maximize efficiency and value in OIG's work over a 5 year period. These strategic priorities are the basis for developing annual audit and evaluation plans. The OIG Strategic Plan is updated annually.

6. PROCEDURES FOR ANNUAL PLAN

a. The Audit and I&E Annual Plan is intended to identify audit and evaluation projects that each group proposes for the next calendar year.

b. As part of the planning process, the Inspector General and Deputy Inspector General in consultation with the assistant inspector generals (AIGs) will identify focus areas or major initiatives for the planning cycle, normally the calendar year. The AIGs for Audit and I&E, along with their senior staff members, are responsible for identifying proposed projects and preparing the annual audit and evaluation plan.

c. In developing proposals, the groups should consider a variety of factors including the focus areas identified by the IG and DIG, in consultation with the AIGs, link to the OIG Strategic Plan, and the groups' discussions with appropriate Amtrak officials on high risk areas or significant management problems or concerns. In addition, the AIGs should hold discussions with appropriate congressional staff, FRA program officials, US General Accountability Office (GAO), Office of Management and Budget (OMB), Office of Investigations (OI), and other Amtrak stakeholders.

d. Audit and I&E staff members are encouraged to participate in the process by identifying potential issue areas and projects for the annual plan and by offering suggestions throughout the year.

e. Potential projects should normally be documented in one to two pages of narrative and contain short sections addressing the following items:

- Project name,
- Background on why the issue is important,
- Expected Value or added impact by under taking the project,
- Proposed objectives, scope and methodology,
- Estimated resource needs (i.e., elapse time and number of staff), and
- Origin of the idea, for example self-initiated, congressional request or Amtrak request.

f. The AIGs for Audit and I&E should normally meet with the IG and DIG to discuss the proposed plan before the beginning of the calendar year. Once there is agreement on the plan, the AIGs are encouraged to share it and any updates with external stakeholders to provide them an understanding of planned work for the coming year.

A handwritten signature in black ink, appearing to read 'Ted U', with a stylized flourish at the end.

THEODORE P. ALVES
Inspector General

Distribution:
Electronic via the OIG Secure Subnet
All OIG staff members via posting notification



NATIONAL RAILROAD PASSENGER CORPORATION
Office of Inspector General
10 G Street N.E., Suite 3W-300
Washington DC 20002

POLICY NUMBER 2204.2
OIG (Audit)
January 25, 2011

Subject: AUDIT AND EVALUATION MANUAL: CHAPTER 4 – NON-AUDIT SERVICES

Reference: (a) Government Accountability Office's *Government Auditing Standards, July 2007 Revision*

Enclosures: (1) Chapter 4 – Types of Non-audit Services
(2) Chapter 4 – Request to Perform a Non-audit Service

1. PURPOSE. This chapter establishes policy and procedures for performing non-audit services in the Office of Inspector General (OIG) Audit and Evaluation offices to ensure that such services are conducted in a professional manner and do not impair the OIG's independence in providing future audit and evaluation services. Non-audit services are professional services, other than audits, attestation engagements, and evaluations that are not covered by generally accepted government auditing standards (GAGAS). Enclosure (1) provides types and examples of non-audit services. The guidance in this chapter conforms with Reference (a), the Government Accountability Office's (GAO) *Government Auditing Standards, July 2007 Revision* (paragraphs 3.20 through 3.30 and Appendix I, A3.01 through A.3.03).

2. CANCELLATION. This policy supersedes OIG Policy 2204.1: Chapter 4 – Non-audit Services of June 14, 2010.

3. APPLICABILITY. This policy and procedures apply to all audit and non-audit services performed by OIG Audit and Evaluation staff.

4. POLICY

a. The OIG has determined that, to meet its statutory mandate to provide comprehensive audit and evaluation services for Amtrak, Audit and Evaluation staff must avoid performing non-audit services that have the potential to impair OIG independence. Providing non-audit services could limit the OIG's independence to perform future audits and evaluations of Amtrak programs and operations to an extent incompatible with the OIG's responsibilities under the Inspector General Act of 1978, as amended.

b. Under GAGAS, performing a non-audit service is an option and not a requirement. GAGAS allows audit organizations to perform certain types of non-audit services under limited conditions and with strict safeguards in place. Before performing a non-audit service, Audit and Evaluation staff must obtain the approval of the Deputy Inspector General (see Enclosure (2)). Because non-audit services are not audits, attestation engagements or evaluations, OIG staff must not report that a non-audit service was conducted in accordance with GAGAS. Audit and Evaluation staff should document all requests for non-audit services on the OIG Secure Subnet using Enclosure (2).

5. DEFINITIONS

a. Audit Service. Audit services are professional services that are performed in accordance with GAGAS. Audit services are those for which *the OIG determines the nature and scope of work* that is needed to satisfy the audit objectives. Audit services encompass financial and performance audits, attestation engagements, and associated services. Associated services include developing hearing questions from audit products, providing briefings or testimonies based on audit products, discussing audit products at conferences, and developing summaries based on previously issued audit products. These associated services are covered by GAGAS and should be categorized as audit services.

b. Evaluations. Evaluations are specialized services and products that include quick reaction reviews, onsite reviews of an office, concise reviews of a specific event or topic, and in-depth assessment of a major function or activity. They may focus on effectiveness, best practices, and efficiency. *The OIG determines the nature and scope of work* that is needed to satisfy the project's objectives.

c. Non-audit Service. Non-audit services are professional services that are not performed in accordance with GAGAS. Non-audit services include *those that staff may perform at the request of an audited entity or an external organization* (e.g., Amtrak or Congressional committees) *for that organization's sole use and benefit*.

6. PROCEDURES

a. Before beginning an audit or evaluation project, OIG staff must determine that the OIG has not performed a related non-audit service that has impaired its independence. To make this determination, the team should review the OIG Secure Subnet, at a minimum.

b. Before any project is initiated, the Assistant Inspector General (AIG) for Audit or AIG for Inspections and Evaluations will determine, based on the nature and scope of work needed to satisfy the objectives of the proposed project, if the proposed project is a non-audit service.

c. In assessing whether a non-audit service can be performed without impairing the OIG's independence, staff must consider the following two overarching principles:

(1) OIGs must not provide non-audit services that involve performing management functions or making management decisions; and

(2) OIGs must not audit or evaluate their own work or provide non-audit services in situations in which the non-audit services are significant or material to the subject matter of the audit or evaluation.

d. In considering whether a non-audit service could materially or significantly affect an OIG audit or evaluation, staff should evaluate ongoing audits and evaluations, planned and possible future audits and evaluations, and legislative or other legal requirements or commitments for providing audits and evaluations.

7. TYPES OF NON-AUDIT SERVICES. GAGAS identifies three types of non-audit services. Examples of each type of non-audit service are provided below, in Enclosure (1), and in GAGAS (3.20-3.30 and Appendix I, A3.01-3.03).

a. Non-audit services that are generally unique to government audit organizations and do not impair staff independence and; therefore, do not require compliance with the supplemental safeguards (See GAGAS, Appendix I, A3.01-A3.03.). These services are often performed in response to a statutory requirement or for a legislative oversight body or an independent external organization and do not impair auditor independence. Examples of these services include:

- developing question and answer documents to clarify technical issues or standards;
- providing assistance and technical expertise to legislative bodies or independent external organizations;
- developing questions (not based on an audit product) for use at hearings;
- and contracting for audit services for an Amtrak entity and overseeing the audit contract as long as the contractor reports to the OIG and not to Amtrak management.

When performing non-audit service, staff do not need to:

- (1) submit a Request to Perform a Non-audit Service form, and
- (2) document the request on the OIG Secure Subnet.

Although permitted by GAGAS, it is OIG practice not to provide information or data to a Congressional or other requestor without staff evaluation or verification of the information or data.

b. Non-audit services that do not impair the organization's independence with respect to the entity it audits or evaluates and; therefore, do not require compliance with the supplemental safeguards (See GAGAS 3.26-3.27.). Safeguards are described in paragraph 7c below. These services consist of providing Amtrak management and other entities with technical advice based on OIG staff technical knowledge and expertise. Examples of these services include:

- participating on a commission, committee, task force, panel, or other group as an expert in an advisory, nonvoting capacity; and
- providing Amtrak management with limited technical advice to assist them in implementing internal controls or with information on good business practices.

Before performing a non-audit service under this category, staff must:

- (1) obtain the approval of Deputy IG by submitting a Request to Perform a Non-audit Service form, Enclosure (2) and document the request by placing the completed form on the OIG Secure Subnet;
- (2) make it clear to Amtrak or other group at the beginning of the assignment that the staff member is acting as an advisor in a purely technical advisory capacity; and

(3) make it clear to Amtrak or other group that the OIG staff member cannot participate in the management decision-making process and cannot perform management functions, such as voting on or deciding on solutions to the issues at hand. The staff member, however, can provide suggestions to management.

c. Non-audit services that would not impair the audit organization's independence as long as the audit organization complies with four supplemental safeguards and does not violate the overarching independence principles (See GAGAS 3.28.). Examples of these services include:

- providing advice to Amtrak management on information technology, such as system design, installation, or security, as long as Amtrak management does not rely on the OIG's work as the primary basis for its decision-making process; or
- providing Amtrak management with human resource services to help evaluate potential candidates under certain limited conditions.

Before performing this type of non-audit service, staff must:

(1) obtain the approval of the Deputy IG, using the Request to Perform a Non-audit Service form, Enclosure (2), and document the request by placing the completed form on the OIG Secure Subnet; and.

(2) comply with the following four supplemental safeguards (GAGAS 3.30):

- document staff's consideration of the non-audit service, including conclusions about the impact on independence;
- establish in writing an understanding with the requestor regarding the non-audit service's objectives, scope of work, and product or deliverable, as well as management's responsibility for the subject matter, the substantive outcomes of the work, and for making any decisions involving management functions related to the non-audit service and accepting full responsibility for such services;
- exclude personnel who provided the non-audit service from planning, conducting, or reviewing audit work in the subject matter; and
- do not reduce the scope and extent of the OIG work below the level that would be appropriate had the non-audit service been performed by an unrelated party.

d. Non-audit services that do impair the audit organization's independence and any compliance with the supplemental safeguards will not overcome this impairment (See GAGAS 3.29.). This type of service directly supports Amtrak's operations and impairs the OIG's ability to meet either or both of the overarching independence principles for certain types of audit or evaluation work. Examples of these services include: maintaining or taking responsibility for basic Amtrak financial records that the auditor will audit; developing policies, procedures, or internal controls; and providing services intended to be used by Amtrak management as its primary basis for making decisions significant to the subject matter under audit. Staff must not perform this type of non-audit service. Although, OIG staff do not provide this type of non-audit service, staff must document any requests of this type and file it on the OIG Secure Subnet.

A handwritten signature in black ink, appearing to read 'T. P. Alves', with a long horizontal flourish extending to the right.

THEODORE P. ALVES
Inspector General

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Chapter 4

Types of Non-audit Services

Non-audit services are professional services that are not covered by generally accepted government auditing standards (GAGAS). These services fall under four categories: (1) those that are unique to government audit organizations and do not impair independence; (2) those that do not impair independence; (3) those that do not impair independence as long as supplemental safeguards are complied with; and (4) those that are expressly prohibited because they impair independence.

For a complete listing of each type, refer to GAGAS 3.20 through 3.30 and Appendix I, A3.01 through A.3.03. The table below provides some examples and their GAGAS references.

GAGAS Reference	Types and Examples of Non-audit Services
Appendix I A3.03.a - k	(1) Non-audit services unique to government audit organizations that do not impair independence
A3.03.a	Providing information or data to a requesting party without auditor evaluation or verification of the information or data. It is not the OIG's practice to provide unevaluated or unverified information or data.
A3.03.d	Developing question and answer documents to promote understanding of technical issues or standards
A3.03.e	Providing assistance and technical expertise to legislative bodies or independent external organizations and assisting legislative bodies by developing questions for use at a hearing
A3.03.i	Contracting for audit services on behalf of an organization under evaluation and overseeing the contract, as long as the overarching principles are not violated and the contractor reports to the auditor and not management
A3.03.k	Providing non-GAGAS audit, investigative, and oversight-related services, including investigations of fraud, contract/agreement violations, or abuse; periodic audit recommendation follow-up engagements and reports; analysis of cross-cutting and emerging issues; and forward-looking analysis involving programs
3.26 - 3.27	(2) Non-audit services that do not impair independence and do not require compliance with supplemental safeguards
3.27.a	Participating on commissions, committees, panels, etc., as an expert in a purely advisory nonvoting capacity
3.27.b	Providing various tools and methodologies that can be used by management
3.27.c	Providing targeted, limited technical advice

GAGAS Reference	Types and Examples of Non-audit Services
3.28	(3) Non-audit services that do not impair independence if safeguards are in place
3.28.a	Providing basic accounting assistance if based on management's data and approved by management
3.28.b	Providing payroll services limited to records and data approved by management
3.28.c	Providing appraisal or valuation services provided management has taken responsibility for all significant assumptions and data
3.28.d	Preparing an indirect cost proposal or cost allocation plan, provided management takes responsibility for all significant assumptions and data
3.28.e	Providing advisory services on information technology provided management assumes responsibility for management decisions
3.28.f	Providing human resource services to evaluate potential candidates as long as auditors do not participate in any decision making
3.28.g	Preparing routine tax filings based on information provided by management
3.29	(4) Non-audit services that jeopardize independence
3.29.a	Maintaining or preparing basic accounting records that OIG will later review
3.29.d	Designing, developing, installing, or operating an accounting system or other information systems that may be material or significant to an audit or evaluation
3.29.i	Developing policies, procedures, and internal controls for the organization under review
3.29.l	Carrying out internal audit functions
3.29.m	Serving as a voting member of management committees or boards, making policy decisions or developing programmatic policy for the organization under review

Chapter 4

Request to Perform a Non-audit Service

Staff must obtain the approval of the Deputy Inspector General (DIG) before undertaking one of the three types of non-audit services described below. OIG staff must document the request on the OIG Secure Subnet.

Type (b) A non-audit service that does not impair the organization's independence and thus does not require compliance with supplemental safeguards, or

Type (c) A non-audit service that would not impair the organization's independence as long as it complies with the four supplemental safeguards, or

Type (d) A non-audit service that would impair the organization's independence.

Date of request: _____ Requestor's name: _____

Requestor's organization: _____

Type of non-audit service (see above): _____

Chief/Senior Director: _____

Other team members assigned: _____

Approximate number of staff days required: _____

Subject area of request: _____

Brief description of non-audit service (objectives, scope, methodology; consideration of two overarching principles and/or four supplemental safeguards; possible impact on future OIG in this subject area):

Concur / Nonconcur by: _____ Date: _____
(Circle One) Assistant Inspector General for ()

Approved / Disapproved by: _____ Date: _____
(Circle One) Deputy Inspector General

Enclosure (2)



NATIONAL RAILROAD PASSENGER CORPORATION
Office of Inspector General
10 G Street N.E., Suite 3W-300
Washington DC 20002

POLICY NUMBER 2205.2
OIG (Audit)
March 1, 2011

Subject: AUDIT AND EVALUATION MANUAL: CHAPTER 5 – AUDIT AND EVALUATION PROCESS

References: (a) Government Accountability Office's *Government Auditing Standards, July 2007 Revision*
(b) Amtrak Policy 2.1.2 (Office of Inspector General)

Enclosures: (1) Chapter 5 – Project Initiation Package
(2) Chapter 5 – Guidelines for Preparing a Survey Guide
(3) Chapter 5 – Guidelines for Preparing Audit and Evaluation Program
(4) Chapter 5 – Outline Sheet for Identifying the Elements of Each Finding
(5) Chapter 5 – Message Meeting Outline Template

1. PURPOSE

a. This chapter establishes policy and procedures for conducting performance audits and evaluations in the Office of Inspector General's (OIG) Offices of Auditing and Inspections and Evaluations (I&E). The guidance in this chapter conforms to Reference (a), the Government Accountability Office's (GAO) *Government Auditing Standards, July 2007 Revision* (Chapters 1, 2, 3, 7, and 8).

b. Guidance on communicating with Amtrak Management officials during the audit and evaluation (A&E) process is provided in OIG Policy 2207.2: Chapter 7. Staff should also refer to Reference (b), Amtrak Policy 2.1.2 (Office of Inspector General). The policy is commonly referred to as the Amtrak and OIG Relationship Document. Guidelines on the process for conducting attestation engagements, testimony services, and financial audits are provided in OIG policies 2211.2: Chapter 11, 2212.2: Chapter 12, and 2213.1: 13 respectively.

2. CANCELLATION. This policy supersedes OIG Policy 2205.1: Chapter 5 – Audit and Evaluation Process.

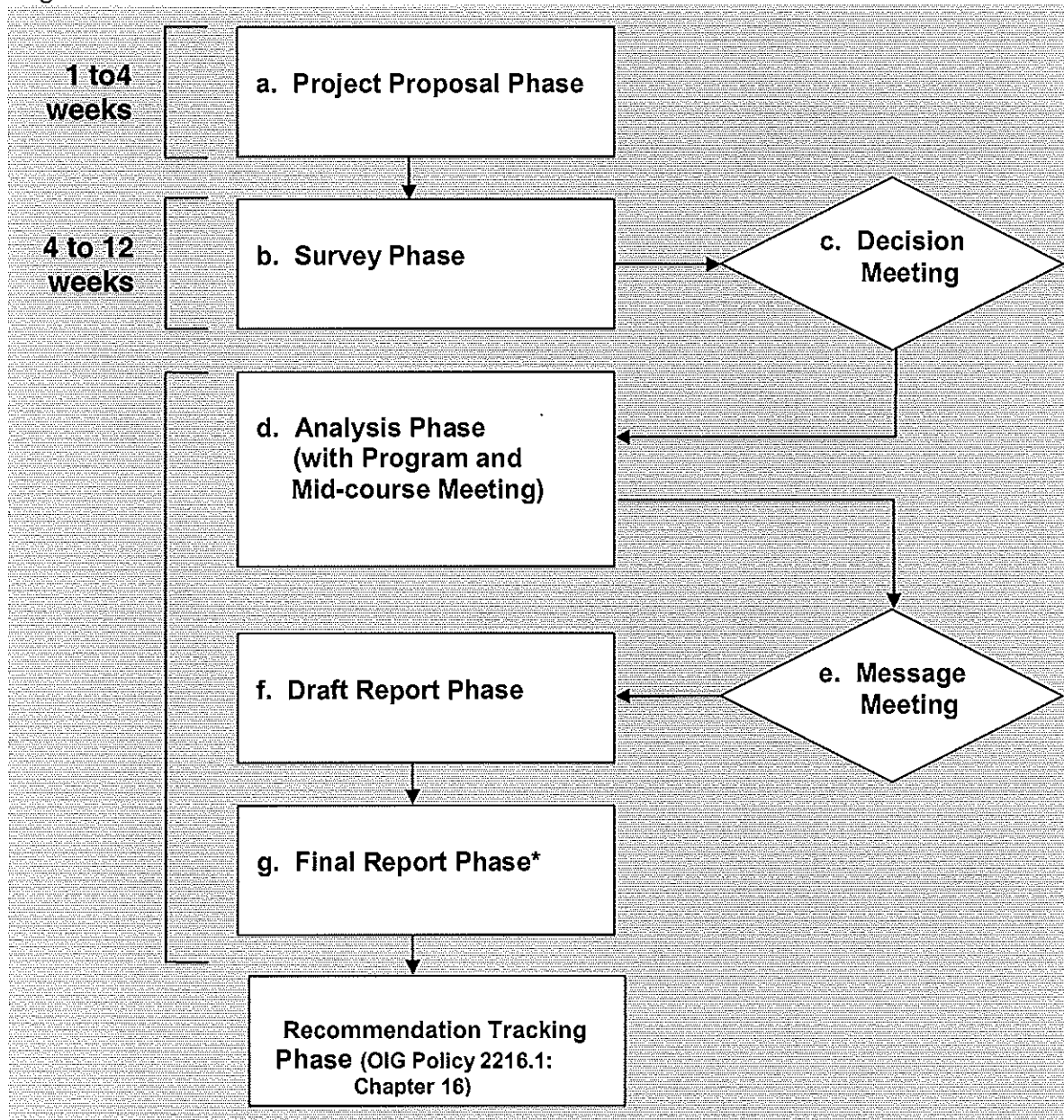
3. APPLICABILITY. These requirements apply to all Amtrak OIG staff who conduct performance audits and evaluations that cite generally accepted government auditing standards (GAGAS).

4. POLICY. OIG staff should use the A&E process described in this chapter to develop meaningful objectives before the survey phase, a technically sound methodology, and a practical staffing plan before beginning the analysis phase, and a results in brief (for small reports that may not need a full executive summary) or an executive summary that is focused on the overall message, findings, conclusions and recommendations before submitting a full draft for OIG management approval. OIG staff should also ensure that A&E documentation contains support

for findings, conclusions, and recommendations before issuing a report and that A&E recommendations are followed up in a timely manner (OIG 2216.1: Chapter 16 describes the A&E recommendation tracking phase).

5. **PROCEDURES.** The A&E process consists of six phases and two decision points (see Figure 1 below). The six phases are project proposal, survey, analysis (including audit or evaluation program and mid-course adjustment), draft report, final report, and recommendation follow-up. The two decision points are the decision and message meetings. The assistant inspector generals (AIGs) for Audit and I&E are responsible for ensuring milestones are monitored throughout the project.

Figure 1: Flow Chart of the SIX Phases and TWO Decision Points of the Audit and Evaluation Process



Note: The letter in each box refers to the section in this chapter that describes the phase.

While the process displayed in the flow chart on the prior page is discussed in sequential order, tasks related to various phases may be started earlier in the process. As examples, report drafting usually is initiated early in the process by developing outlines and report sections such as scope, methodology, introduction and background while survey work on prior audit findings and recommendation may be done during the project proposal phase.

a. Project Proposal Phase. The goal of the project proposal phase is to maximize the value of the proposed audit or evaluation by developing meaningful survey objectives through limited initial research, and identifying possible methodologies and staffing requirements to meet overall A&E objectives. Proposals are prompted by a variety of means including audits or evaluations identified in annual plans, as a result of an outside request, or knowledge gained during a previous or ongoing engagement. The project proposal phase should normally be limited to 1 to 4 weeks depending on the project's scope and complexity.

(1) Non-audit Services. Before a project proposal is prepared, the audit or evaluation team should determine that the OIG has not performed a related non-audit service that would impair its independence. To make this determination, the team should refer to OIG Policy 2204.2: Chapter 4 on non-audit services.

(2) Initiating a New Audit or Evaluation Project

(a) The audit or evaluation team should prepare a project initiation package for all projects including congressional requests, unless the requirement is waived by the AIG in consultation with the Deputy Inspector General (DIG) and Inspector General (IG). The project initiation package should contain a project proposal, a draft audit/evaluation engagement letter, and a project initiation concurrence sheet. Enclosure (1) provides additional information on the contents of the package and a concurrence sheet.

(b) In the proposal, the A&E team will identify advisors, investors, and other key stakeholders. An advisor is a subject matter expert who will participate in all project phases and at milestone meetings. An investor is a staff member from another OIG office who will be assigned as a team member. Not all proposals will require advisors, investors or key stakeholders but the team should coordinate with the offices of Investigation, Audit or Evaluations and Counsel in the preparation of the project initiation package.

(c) An audit team conducting a financial audit (e.g., chief financial officer's financial statement or other financial statement-related audit) or an attestation engagement should refer to OIG policies 2213.1: Chapter 13 and 2211.2: Chapter 11 respectively.

(d) The AIG of the Audit or I&E Office serve as the final primary project quality assurance reviewer for his/her staff's work. When the AIG of the office supports a project proposal and believes the team has proposed meaningful objectives, an initial methodology, and a staffing plan, he or she will approve the project initiation package (Enclosure (1)) and forward copies of the package to the DIG and IG.

(e) The AIG, in consultation with the DIG and IG, will decide whether to initiate the project. Consultation may include a meeting with the team and will consider issues such as the

proposed objectives, the potential impact or benefits of the work, and the technical soundness of the proposed methodology, proposed resources, timeframes and workload.

(f) The project proposal phase will end when the AIG of Audit or I&E signs the engagement letter; sends it to Amtrak; and provides copies to the OIG General Counsel (GC) for informational purposes. The audit or evaluation team will contact the Amtrak Audit Liaison to set up an entrance conference.

b. Survey Phase. The goal of the survey phase is to perform limited data gathering and analysis to ensure that the audit or evaluation objectives are clear and attainable, data are available to address each objective and a sound and efficient methodology to complete the audit or evaluation has been developed. The survey usually begins on the date of the entrance conference. The audit or evaluation team will enter the start date for the survey phase in the tracking database system and enter it in TeamMate. If the evaluation team is not using TeamMate, the team will note the start date in their project documentation files (work papers). In certain limited cases, the AIG, in consultation with the DIG and IG, may waive the requirement for the survey phase. The survey phase should normally be limited to 4 to 12 weeks depending on the project's scope and complexity.

(1) Holding an Entrance Conference. The audit or evaluation team will hold an entrance conference with Amtrak management and the audit liaison to explain the purpose of the engagement and the objectives, establish necessary working arrangements, and provide preliminary information relating to the scope and methodology. OIG Policy 2207.2: Chapter 7 and the OIG Relationship Document, provides additional information on entrance conferences.

(2) Preparing a Survey Guide

(a) The audit or evaluation team will prepare a survey guide describing the steps it will take to address the objectives during the survey phase. Guidelines for preparing a survey guide are available in Enclosure (2). The team should also refer to the Quality Assurance Checklist in OIG Policy 2206.2: Chapter 6 to ensure that all appropriate approval levels are met and that all required steps are included in the survey guide.

(b) The AIG for Audits or I&E should approve the survey guide.

(c) If the survey phase will take more than the time originally estimated, the senior auditor or evaluator should consult with the AIG on the need for an extension to the survey phase and establish a new survey completion date, if the AIG agrees.

(3) Ending the Survey Phase

The audit or evaluation team should ensure that all survey guide steps have been addressed. After the supervisor has reviewed the project documentation (OIG Policy 2206.2: Chapter 6), the audit or evaluation team will request a decision meeting with the AIG, who can invite the DIG and IG to attend.

c. Decision Meeting. The goal of the decision meeting is to determine whether the audit or evaluation should proceed to analysis and, if so, to obtain sufficient technical advice

and management guidance to finalize the audit or evaluation program with identified objectives, scope and methodology, resource needs, project milestone dates, and the anticipated message and benefits. In certain cases, the AIG, in consultation with the DIG and IG, may waive the requirement for a decision meeting.

(1) Preparing for a Decision Meeting. To prepare for a decision meeting, A&E teams will take the following steps:

(a) With the concurrence of the AIG for Audit or I&E, the team will schedule a decision meeting to discuss the survey results and the proposed audit/evaluation program—in particular, the project’s objectives, scope, methodology, resource needs, and anticipated message and benefits.

(b) The audit or evaluation team is responsible for making the necessary arrangements for the decision meeting, including scheduling a conference room; arranging video conferencing facilities, if needed; notifying invitees; and preparing and distributing written materials to invitees allowing sufficient time for their review in order to facilitate effective discussion at the decision meeting.

(c) The invitees to the decision meeting should include the AIG of Audit or I&E; the audit/evaluation team; specialists and outside consultants working on the project; the AIG for Investigation, if needed; and, the OIG GC. The AIG will consult with the DIG and IG to determine if they should be invited to attend.

(d) The audit or evaluation team is responsible for preparing written materials for a decision meeting. The materials will vary according to the complexity of the project and the preference of the AIG of the office. These materials will typically be presented in the form of briefing slides. The materials should include the following:

- Audit/Evaluation objectives;
- Audit/Evaluation scope;
- Criteria to be used;
- Brief background material (what is the issue, why is it important, what prior work has been done on it, what is the source (Congress, self-initiated, etc));
- Survey results, including anticipated message, findings for each objective, any detection of violations of laws or regulations, contract provisions, or grant agreements, fraud, or abuse;
- Impact or potential benefits of the audit or evaluation;
- Summary of survey results on the quality of internal controls significant to the audit objectives;
- Proposed analysis methodology (approach to complete the work including work to be conducted, sites to visit etc.);
- Estimated milestone dates; and
- Anticipated resource needs, such as staff and travel requirements and costs.

(2) Holding the Decision Meeting

(a) At the decision meeting, the AIG of Audit or I&E may decide to modify the objectives or scope, postpone the project, or cancel the project. In any of these cases, the AIG will use professional judgment in determining how to notify in a timely manner, the Amtrak audit liaison and Management officials about the change. The team will make the appropriate changes in the tracking database system and in TeamMate or hard copy project files. If the audit or evaluation objectives or scope are substantially modified, the team should prepare and distribute a revised engagement letter signed by the AIG of the Audit or I&E Office (see OIG Policy 2207.2: Chapter 7 for additional guidance on communicating with Amtrak.).

(b) If the AIG decides to proceed to analysis, he/she will advise the audit/evaluation team on the need to hold a mid-course meeting during analysis, especially if the project is complex, high profile, or being conducted jointly with other offices such as Investigations. If the AIG requests one, the team will schedule the meeting.

(c) The audit or evaluation team should enter the estimated milestone dates (analysis/field work, message meeting and draft report into the tracking database system and TeamMate or the evaluation project documentation files. The team should document the results of the meeting in the audit/evaluation documentation file.

d. Analysis Phase. The goal of this phase is to prepare and carry out the audit or evaluation program to meet the objectives and obtain sufficient, appropriate evidence that will lead to findings, conclusions, and recommendations.

(1) Preparing an Audit or Evaluation Program

(a) The program, which is approved by the AIG, is a narrative description of the methodology that shows, by objective, the specific steps that the team plans to take to address the questions under each objective and identifies the staff members who are assigned to the project. Guidelines for preparing an audit or evaluation program are provided in Enclosure (3). In addition, the team should review the Quality Assurance Checklist in OIG Policy 2206.2: Chapter 6 to ensure that all required steps are addressed in the audit/evaluation program.

(b) The audit or evaluation program should adhere to the following professional standards: GAO Government Auditing Standards, 7.06 through 7.51.

(c) The team should finalize, and the AIG approve, the audit or evaluation program, in a timely manner from the date of the decision meeting. The program can be adjusted, as necessary, during the analysis phase, and the AIG should approve any changes. The objectives identified in the audit or evaluation program should be reviewed periodically to ensure they will result in a useful and informative report. The program should be included in the project file documentation.

(2) Conducting the Field Work

(a) The audit or evaluation team will proceed with data collection, field work, and analysis, as agreed on in the audit/evaluation program. The team should keep their AIG apprised of the progress and provide briefings to Amtrak management, as appropriate.

(b) As the project progresses, the team should adjust the audit/evaluation program, as necessary. For example, the team may find new avenues of inquiry, priorities may change, or planned data collection may not be possible. The team may make minor or technical changes to the audit/evaluation program with the approval of the senior director or senior evaluator. If the changes are significant, the team should obtain the approval of the AIG of Audit or I&E.

(c) It is a best practice to use finding sheets during the course of the audit or evaluation (see Enclosure (4) for template). If used, these should be included in the project documentation files.

(3) Holding a Mid-course Meeting. The AIG may request a mid-course meeting with the team during the analysis phase, especially if the project is complex, high profile, or being conducted jointly with other OIG offices. The DIG and IG may be invited to attend the meeting, at the AIG's discretion. The meeting is intended to generate discussion on the status of the audit or evaluation including findings, potential obstacles to completing the project, and other issues. Written materials are not required (but recommended) at the meeting. However, the team should document the results of the meeting in the project documentation files.

(4) Preparing a Draft Results in Brief or Executive Summary

(a) Once sufficient field work has been conducted to begin developing the findings. As previously noted this process can be started early in the project. The audit or evaluation team will finalize a draft report outline that should include the following:

- A list of reporting objectives;
- A brief explanation of why the project was initiated and if relevant, why it is important;
- A description of the scope and methodology used that includes a discussion of how the team's analysis of the collected data supports the key findings;
- A results in brief or executive summary that highlights the overall message, most significant findings (including the four elements of each finding—criteria, condition, effect and cause), conclusions, and recommendations;
- A logical progression from the objectives and findings to the conclusions and recommendations;
- Recommendations that are directed at resolving the cause of identified problems; clearly state the actions recommended; are addressed to parties that have the authority to act; and are specific, practical, and measurable; and
- The draft outline should be fully supported by the audit or evaluation documentation.

(b) While working on a draft report outline, the team should consult with the OIG GC on legal issues; with the AIG for Management and Policy (M&P) on potential congressional and/or media issues and with AIG for Investigations on investigative issues.

(c) While working on the draft outline, the team and the AIG of the Audit or I&E may ask to meet with the DIG and IG to discuss the anticipated report. Such meetings might be appropriate, for example, for complex or high-profile audits/evaluations or for projects in which the AIG of the office believes the team would benefit from the discussion in developing an effective draft results in brief or executive summary.

(5) Ending the Analysis Phase. This phase ends with a message meeting unless it is determined that additional work is needed to support the message, findings, conclusions, and recommendations. The message meeting can be scheduled when the AIG confirms that the team has completed the steps described in the audit/evaluation program, including any additional steps resulting from a mid-course meeting, and has cross-indexed them to the appropriate audit/evaluation documentation, and the AIG of the office approves the draft report outline that will be presented at the message meeting.

e. Message Meeting. The message meeting is the second decision point. Its goal is to ensure that the audit or evaluation team has a clear, well-developed message, including the relevant elements of a finding for each objective, and that OIG management is in agreement with the message. In certain cases, the AIG, in consultation with the DIG and IG, may waive the requirement for a message meeting. If this occurs, the project will move directly into the report writing phase.

(1) Preparing for a Message Meeting

(a) When the AIG of the Audit or I&E Office approves the draft report outline, the team will arrange for a message meeting to discuss with invitees the audit/evaluation message, including all findings, conclusions, and recommendations.

(b) The invitees to the message meeting should include the AIG for audit or evaluations; the audit or evaluation team; any specialists or outside consultants working on the project; and, as appropriate, the OIG GC and the AIG for M&P. The AIG will consult with the DIG and IG to determine if they should be invited to attend.

(c) Before the message meeting is held, the team should update the project documentation file, and the audit or evaluation supervisor should review the documentation. Additional information is provided in OIG Policy 2206.2: Chapter 6 – Supervision (Performance Audits and Evaluations).

(d) The team should distribute the written materials to all invitees for the message meeting allowing sufficient time for their review in order to facilitate effective discussion at the meeting. The materials should include a complete outline and a fully developed draft results in brief or executive summary; or briefing materials that address the points below (see Enclosure (5) for outline template.).

(2) Holding a Message Meeting

(a) Attendees at the message meeting should agree on the following:

- Report message, findings, conclusions, recommendations, and anticipated benefits;
- Type of product to be issued;
- Whether the product will be issued to Amtrak as a draft report for written comments or in rare cases for oral comments;
- Which OIG official will sign the draft and final reports (e.g., the AIG of the office, the DIG, or the IG);
- Confirmation that all appropriate professional standards were followed in conducting the audit or evaluation; and
- Estimated milestone dates for the draft report, management comments and the final report

(b) If it is determined that the outline is not supported, the team may be directed to conduct additional work and redraft the results in brief or executive summary or hold a second message meeting before the team can begin to write the full report.

(c) The team should document the results of the message meeting(s) in the project documentation file.

(3) After the Message Meeting. When the AIG agrees that the outline and the results in brief or executive summary are sufficiently developed, he or she will authorize the team to proceed to the draft report writing phase. The team will update the project information in the tracking database system and TeamMate or the evaluation project file documentation, entering realistic dates for the next milestones (e.g., completion of the draft report, request for Amtrak comments, and final report). At this point, the team should also update the tracking database system and TeamMate or project files to reflect the completion of the analysis phase.

f. Draft Report Phase. The goal of this phase is to fully develop a draft report that clearly and logically presents the agreed upon message and findings as they relate to the audit or evaluation reporting objectives. In preparing a draft report, the team should follow the approved draft outline including the results in brief or executive summary. The required elements of a draft report are contained in Enclosure (5) - Message Meeting Outline. In certain cases, the requirement for a draft report may be waived by the AIG, in consultation with the DIG and IG.

(1) GAGAS Compliance Statement. Every A&E report should contain an unmodified or a modified GAGAS compliance statement in the scope and methodology section unless the requirement to comply with GAGAS has been waived (see GAGAS, 1.11 through 1.13 and 8.30 through 8.31.).

(a) When the audit or evaluation work complies with all applicable GAGAS requirements, the team should use the following unmodified GAGAS compliance statement in the report:

We conducted this performance audit (evaluation) in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit (or evaluation) objectives.

This statement should be the first paragraph of the scope and methodology section of the report.

(b) When the audit or evaluation work does not comply with all applicable GAGAS requirements; the team should include a modified GAGAS compliance statement in the report, stating that either the team performed the project in accordance with GAGAS except for specific applicable requirements that were not followed, or because of the significance of the departure(s) from the requirements, the team was unable to and did not perform the audit in accordance with GAGAS (see GAGAS 1.12.b for additional required disclosures and examples of situations when a team would use a modified compliance statement.).

(c) When the audit or evaluation work does not comply with any applicable GAGAS requirements (and GAGAS is required) it should follow requirements in GAGAS 1.13.

(2) Finalizing the Draft Report

(a) During the course of drafting the report, the team should discuss possible findings and recommendations with Amtrak management or other stakeholders (e.g., congressional requestors, industry officials, Federal Railroad Administration (FRA) or Office of Management and Budget (OMB) budget examiners). The team should consult with an attorney in the Office of GC before discussing possible findings with Amtrak's legal counsel, and coordinate with the AIG for M&P prior to any briefings with congressional requestors. Additional information on communicating with Amtrak during the audit or evaluation process can be found in OIG Policy 2207.2: Chapter 7. The AIG for Audit or Inspections and Evaluations will obtain OIG legal review before approving the draft.

(b) When the AIG of the Audit or I&E Office concurs with the team's draft report, he or she will submit a copy of the draft to the DIG and IG for review, with a copy to the OIG GC. Based on the message meeting decision, the AIG of Audit or I&E will indicate whether the draft report is to be issued to Amtrak for written or oral comments.

(c) The team should complete cross-indexing a draft report before formally submitting it for OIG management review (see OIG Policy 2210.2: Chapter 10 – Quality Control (Cross-indexing and Referencing)). Exceptions to this process should be approved by the responsible AIG.

(d) The AIG of Audit or I&E will work with the team to resolve comments and suggestions from OIG management and revise the draft report.

(e) The AIG of Audit or I&E and the team will follow the same procedures noted in paragraphs (b), (c), and (d) for each significant revision of the draft report until OIG management agree to a final version of the draft report.

(f) Before a draft report is issued to Amtrak for comments, the senior audit director or chief evaluator should review the project documentation and, unless waived by the AIG, all independent referencing must be completed (See OIG Policy 2210.2: Chapter 10 – Quality Control (Cross-indexing and Referencing)). Any disagreement between the independent referencer and the audit team should be resolved by the AIG of Audit or I&E before the draft report is issued to Amtrak.

(3) Holding an Exit Conference

(a) Before ending the draft report phase, the audit or evaluation team should hold an exit conference with Amtrak management officials and the Amtrak Audit Liaison to brief them on the findings and recommendations (see OIG Policy 2207.2: Chapter 7 – Communication during the A&E Process and OIG Relationship Document for guidance on communicating with Amtrak officials.).

(b) For most audits and evaluations, it is a best practice for the team to provide the Amtrak audit liaison with a discussion draft prior to the exit conference. In general, a discussion draft contains the audit or evaluation overall message, key findings, and recommendations. It is not the draft report. The discussion draft must be approved by the AIG of Audit or I&E before it is given to Amtrak.

(4) Ending the Draft Report Phase. The draft report phase ends when the appropriate OIG official signs the draft report and the report is delivered to Amtrak for comments. The team should place the cross-indexed, independently referenced, and signed reports in the project documentation file. The team should also update the tracking database system for project information milestones on the day that the report is issued to Amtrak.

g. Final Report Phase. The goal of this phase is to prepare a final audit or evaluation report that considers and includes Management comments and the OIG's analysis of those comments. All issued reports should indicate whether Amtrak had an opportunity to comment, either in writing or orally, before the report was issued.

(1) Obtaining Management Comments

(a) When the team receives Amtrak's comments, it will review them to determine whether they are responsive, address the recommendations, and include specific corrective actions, completion dates, and identify a responsible management official. The team should also consider whether the comments warrant revisions to the report. The team should summarize Management's comments and prepare the OIG's analysis of those comments. The comments should be incorporated into the final report.

(b) Refer to OIG Policy 2207.2: Chapter 7 and Reference (b), Amtrak Policy 2.1.2, for information on communication during the audit and evaluation process.

(c) When the AIG has waived the requirement for a draft report, the project supervisor should communicate this information to Amtrak management officials and request oral comments, by discussing the message, findings, conclusions, and recommendations with

responsible management officials. The team should summarize Management's comments and prepare the OIG's analysis of those comments as well as revise the report, as appropriate.

(d) If Amtrak is unable to respond in a timely manner or declines to provide comments, the report should indicate that Amtrak did not provide comments and the reason why.

(2) Issuing the Final Report

(a) When the AIG of the Audit or I&E Office concurs with the final report, including the OIG's analysis of Amtrak's comments and any comments from OIG GC, he or she will forward the proposed final report to the DIG and the IG for review.

(b) Before the final report is signed by the appropriate OIG official, the team should ensure that any changes made from the draft report and OIG's analysis of Amtrak's comments have been cross-indexed and independently referenced (see OIG Policy 2210.2: Chapter 10 – Quality Control Cross Indexing and Referencing for additional guidance).

(c) The team should coordinate with the OIG GC and the AIG for M&P on the web posting and public release of the final report. For posting on the OIG's publicly accessible website, the audit team must provide an electronic version of the final report, in .pdf format, that complies with the requirements of Section 508 of the Rehabilitation Act of 1973, as amended.

(d) The audit or evaluation team should distribute the final report according to procedures provided in OIG Policy 2209.2: Chapter 9 – Report Preparation and Distribution.

(e) The team should input all recommendations into the tracking database system and TeamMate or the evaluation project documentation file. If there are no recommendations, the team should enter the appropriate information into the TeamMate or the evaluation project documentation file to close the project (See OIG Policy 2216.1: Chapter 16 for A&E Recommendation Tracking). The senior director should ensure that the project is made "read only" in TeamMate no later than 30 business days after the date the final is issued.



THEODORE P. ALVES
Inspector General

Distribution:

Electronic via the OIG Secure Subnet
All OIG staff via posting notification

Chapter 5

Project Initiation Package

To initiate an audit or evaluation project, the team should prepare a project initiation package that contains three documents: a project proposal, a draft engagement letter, and a project initiation concurrence sheet. A project initiation concurrence sheet is provided on the next page. In time critical projects, the Assistant Inspector General (AIG) for Audit or AIG for Inspections and Evaluations may approve the completion of this package after the engagement letter has been sent and survey work started.

Project Proposal

A project proposal typically consists of a two page document that contains short sections on the following items:

- Introduction and background (what is the issue, why is it important, what prior audit and evaluation work has been done on it).
- Proposed objectives.
- Listing of criteria applicable to the objectives
- Proposed scope and methodology.
- Potential impact or benefits of performing the audit or evaluation
- Link to Office of Inspector General (OIG) Strategic Plan.
- Tentative resource needs (staff number and travel).
- Project timing (proposed schedule).
- Internal OIG coordination/stakeholders.

Draft Audit/Evaluation Engagement Letter

An engagement letter is the OIG's formal notification to Amtrak of the commencement of an audit or evaluation. The letter should contain the audit or evaluation objectives, and identify the program or activities (scope) that will be audited. The letter should also contain the expected starting date and the OIG's points of contact. For further information about communicating with Amtrak officials during an audit, see OIG Policy 2207.2: Chapter 7 – Communication during the A&E Process.

Project Initiation Concurrence Sheet

The project initiation concurrence sheet, which should be attached to the top of the project initiation package, ensures that the package has the concurrence of OIG management. The AIG of Audit or I&E will approve the package.

Project Initiation Concurrence Sheet
Amtrak
Office of Inspector General

Routing Sheet for Project Initiation Package

Office: _____

Project Title: _____

Senior Director: _____
(Signature and Date)

Please review the attached project initiation package and let our office know if you concur with the project initiation package and whether we should schedule a project initiation meeting with the Deputy Inspector General and Inspector General to discuss the proposed project.

_____ Concur _____ Non-concur

AIG: _____
(Signature and Date)

Chapter 5

Guidelines for Preparing a Survey Guide

The following guidelines are designed to help the audit or evaluation team prepare a survey guide. The survey guide contains the proposed objectives, the type of project being planned (performance), the type and source of required data, criteria, and a methodology for conducting the preliminary analysis. The Assistant Inspector General for Audit or I&E should approve the survey guide.

The team should refer to the Quality Assurance Checklist for performance audits/evaluations in OIG Policy 2206.2: Chapter 6 to ensure that all required survey guide steps are addressed in the survey guide.

General Information. A survey guide should contain the following items:

- Introduction and background (what is the issue, why is it important, what prior work has been done on it).
- Proposed audit or evaluation objectives.
- Criteria
- Proposed scope (e.g., what Amtrak program or activity will be examined, what documents or records will be reviewed, what time periods or geographical locations will be covered).
- Proposed methodology (what procedures will be used to gather and analyze the evidence) to include addressing internal controls and data reliability.
- Potential impact or benefits of performing the audit or evaluation project.
- Tentative resources needed (staff, travel funds, etc.).
- Estimated milestone dates.

Survey Steps

1. Conduct background research on the issue area (for example) some of this work may have been done for the project initiation package and may need to be updated:

- Review prior relevant reports from the Inspector General (IG) community, independent public accountants, Government Accounting Office (GAO) and audit and evaluation (AIE) findings and recommendations to determine if they are relevant to the issue area and if corrective actions have been taken.
- Determine if prior or ongoing audit or evaluation work, including others in the IG community and GAO, will impact the survey or the subject area under review.
- Consult with an attorney in the OIG General Counsel (GC) to identify any potential legal issues related to the audit or evaluation area.

- Coordinate with the Office of Investigations to identify and acquire information on any current or recently completed investigations related to the audit or evaluation area.
- Obtain general background information on the program size, objective(s), legislation, etc.

2. Identify criteria (for example): Review applicable laws and regulations with the assistance of the OIG GC, as necessary, and Amtrak and Federal Railroad Administration (FRA) policies and procedures, contracts, grant agreements, standards, measures, best practices, etc., to identify the criteria that will be used to evaluate the performance of the program or activity being audited or evaluated.

3. Gather and analyze information (for example):

- Meet with responsible program managers to discuss the subject under review and obtain relevant studies, analyses, and other documentation.
- Identify potential sources of information (e.g., documents and records, interviews with Amtrak or other officials and questions to be asked, computer-generated databases, surveys, etc.) that can be used as evidence to answer each objective.
- Determine what type and how much evidence will be needed to address the objectives, considering the elements needed to support a finding.
- Determine what methods (e.g., inquiries, observations, inspection of documents and records, review of A&E reports, direct tests) the team will use to gain an understanding of internal controls, including those affecting information systems that are significant to the objectives in order to assess their effectiveness.
- Determine what procedures the team will use to identify any risks related to using computer-generated data. If the data are deemed unreliable, identify what alternative procedures or data will be used to address the audit objectives.
- Decide if the audit team will need the assistance of a statistician or computer specialist to develop sampling, quantitative, or other procedures to collect or analyze data.
- Determine if the team will use the work of outside specialists (e.g., engineers, economists, computer scientists, etc.) or outside consultants to gain a better understanding of the audit issues and possible approaches to addressing them.
- Document the nature and scope of any work that will be performed by a specialist or outside consultant. The team should consider the specialist or outside consultant as a member of the team.
- If an outside specialist or consultant is being used, ensure that they sign a Certificate of Independence—Outside Consultant (OIG Policy 2202.2: Chapter 2, Enclosure (2)).
- Consider performing limited tests to obtain limited assurance that conditions deviate from criteria and involve an adverse effect.

4. Document the survey phase (for example):

- Complete the survey guide portion of the Quality Assurance Checklist.
- Ensure supervisory review of audit or evaluation documentation at the end of the survey phase (prior to the decision meeting).

Chapter 5

Guidelines for Preparing an Audit or Evaluation Program

The following guidelines are intended to help the team plan an audit or evaluation and prepare the analysis program. The Assistant Inspector General (AIG) for Audit or Inspections and Evaluations (I&E) should approve the program.

The team should refer to the Quality Assurance Checklist for performance audits and evaluations in OIG 2206.2: Chapter 6 to ensure that all required audit and evaluation (A&E) steps are included in the program. For additional guidance on audit planning, the team should consult GAGAS 7.06 through 7.50 and GAGAS Appendix I, A7.01 through A7.03.

General Information and Other Steps. An audit/evaluation program should update information provided in the survey guide as appropriate, including:

- Introduction and Background (What is the source? - congressional, self initiated, etc; relevant prior audit or other evaluation done in the issue area or program being studied) (GAGAS 7.13 through 7.15, 7.36, 7.41).
- Audit/Evaluation objectives (GAGAS Appendix I, A7.03).
- Criteria that will be used to evaluate the program or activity being audited or evaluated; the criteria should be relevant to the objectives (GAGAS 7.37 through 38).
- Scope (e.g., what program or activity will be examined, what documents or records will be reviewed, what time periods or geographical locations will be covered).
- Methodology that will be used to examine each objective.
- Resources needed (staff, technical or legal assistance, travel funds).
- Estimated milestone dates.
- Determine if prior audit or evaluation findings and recommendations are relevant to the objectives and if the recommendations have been resolved or appropriate corrective measures have been taken.
- Consult with OI on investigative issues.
- Consult with an attorney in the Office of General Counsel to identify any potential issues related to the audit or evaluation area.

Methodology. An audit/evaluation program should update information provided in the survey guide as appropriate, including:

- If computer databases will be used, describe the procedures the team will use to identify any risks related to using these data. If the data are deemed unreliable, identify what alternative procedures or data will be used to address the objectives.

- Describe the methods (e.g., inquiries, observations, inspection of documents and records, review of auditor/evaluation reports, direct tests) the team will use to gain an understanding of internal controls, including those affecting information systems, in order to assess their effectiveness and determine if there are any deficiencies that are significant within the context of the objectives (see GAGAS 7.16 through 7.27 and Appendix I, A.03 through A.04.).
- Determine what methods the team will use to detect any fraud, abuse, or violations of laws, regulations, or provisions of contracts or grant agreements that are significant within the context of the objectives (see GAGAS 7.28 through 7.35 for and Appendix I, A.05 through A.11.).
- Determine the nature and scope of work that will be performed by a technical specialist (e.g., engineers, economists, computer scientists, statistician, etc.).
- Determine the nature and scope of any work that will be performed by an outside consultant and how that work will be planned and evaluated (see GAGAS 7.43 through 7.45.).

Audit/Evaluation Analysis Steps

- Identify each objective and the specific questions the team will ask to address the appropriate finding elements for each objective.
- Identify the criteria that will be used to address each objective (see GAGAS 4.15, 7.37 through 7.38.).
- For each objective or question, describe what type of information or evidence (e.g., physical, testimonial, documentary) the team will collect, from what source(s), and by what method(s) (see GAGAS 7.39 through 7.40, 7.55 through 7.71; also Appendix I, A7.01 through A7.03.).
- Describe what methods the team will use to analyze the information or evidence.
- Identify any potential limitations the team may encounter in collecting or analyzing the information.
- Describe the potential findings and reporting elements the team expects to develop (see GAGAS 7.72 through 7.76.).

Chapter 5

Outline Sheet for Identifying the Elements of Each Finding

Project Title _____

Project No. _____

Finding Sheet No. _____

Condition (What is occurring):

Criteria (What is required):

Effect (What is the result or impact):

Cause (Why this is occurring):

Recommendation(s) (Corrective action(s) needed):

Prepared by: _____

Date: _____

Approved by: _____

Date: _____

Chapter 5

Message Meeting Outline Template

Introduction (bulleted)

- State what the issue is and why is it important (Get the readers' attention so they want to read more).
- Explain why the audit or evaluation was initiated (expected benefits).
- List report objectives.
- Briefly describe scope and methodology, noting any limitations.

Results in Brief/ Executive Summary (RIB/ES)

Develop a full draft RIB/ES that summarizes the overall message, findings, conclusions, recommendations, and anticipated benefits.

Background (bulleted)

- Context needed to understand the findings, including explanation of terms, concepts, etc.
- Prior work related to the issue.

Body

For each objective, provide

- Finding-related headings and subheadings, if relevant.
- A charge paragraph for major headings which should summarize condition, criteria, effect and cause.
- Bulleted evidence to support headings and charge paragraph statements.

Preliminary Recommendations (bulleted)



NATIONAL RAILROAD PASSENGER CORPORATION
Office of Inspector General
10 G Street N.E., Suite 3W-300
Washington DC 20002

POLICY NUMBER 2206.2
OIG (Audit)
March 1, 2011

Subject: **AUDIT AND EVALUATION MANUAL: CHAPTER 6 – SUPERVISION**
(PERFORMANCE AUDITS AND EVALUATIONS)

Reference: (a) Government Accountability Office's *Government Auditing Standards, July 2007 Revision*

Enclosures: (1) Chapter 6 – Supervisory Review Sheet for Evaluation Documentation
(2) Chapter 6 – Quality Assurance Checklist for Performance Audits and Evaluations

1. PURPOSE. This chapter establishes policy and procedures for the supervision of performance audits in the Office of the Inspector General's (OIG) Office of Audit and for evaluations in the Office of Inspections and Evaluations. The guidance in this chapter conforms to Reference (a), the Government Accountability Office's (GAO) *Government Auditing Standards, July 2007 Revision* (paragraphs 7.52-7.54). Guidelines on supervision for attestation engagements, testimonies and financial audits are provided in OIG policies 2211.2: Chapter 11, 2212.2: Chapter 12, and 2213.1: Chapter 13, respectively.

2. CANCELLATION. This policy supersedes OIG Policy 2206.1: Chapter 6 – Supervision.

3. APPLICABILITY. These requirements apply to all Amtrak OIG staff who conduct performance audits and evaluations that cite generally accepted government auditing standards (GAGAS).

4. POLICY. To ensure high-quality audit and evaluation work, staff assigned to an audit or evaluation must be properly supervised at all times. The nature and extent of the supervision may vary depending on the sensitivity of the subject matter, the significance or complexity of the assignment, and the experience level of the project team. Supervisors are responsible for reviewing the audit or evaluation documentation on an ongoing basis and for ensuring that the team has completed all required audit or evaluation steps.

5. PROCEDURES

a. Providing Guidance to Staff

(1) The audit or evaluation supervisor should provide sufficient guidance to the project team to ensure that the audit or evaluation objectives are addressed and the applicable standards are followed. Supervision involves directing the efforts of team members, staying informed about any significant problems encountered, reviewing the work performed, and providing effective on-the-job training.

(2) The supervisor should ensure that team members clearly understand their assignments and the purpose of their work. The nature and extent of supervision and the review of work will vary from project to project. For example, a supervisor with an experienced staff may need only to outline the scope of work and leave the details to the staff. A supervisor with a less experienced staff may have to provide detailed guidance on audit or evaluation procedures and techniques for gathering and analyzing data.

b. Reviewing the Work Performed. The audit or evaluation supervisor is responsible for reviewing the project documentation in a timely manner and for ensuring that the team has completed all required audit or evaluation steps.

(1) Audit and Evaluation Documentation

(a) Supervisory review of the audit or evaluation documentation is an ongoing process and should not be delayed until all work is completed. The audit or evaluation supervisor is responsible for ensuring that the project documentation is promptly reviewed. At a minimum, the supervisor must review the audit or evaluation documentation:

- by the end of the survey phase,
- by the end of analysis/field work, and
- before the beginning of independent referencing of the report.

(b) The audit supervisor should review individual audit documents (called “procedures” in TeamMate) to determine if they are accurate, clear, and complete. As appropriate, the supervisor should use the electronic coaching note feature in TeamMate to query or provide comments to the staff and to sign-off when he or she concurs with the staff member’s response. The supervisor must also sign-off electronically or manually on audit documents, attachments, and folders to indicate that he/she has reviewed the project documentation.

(c) The evaluation supervisor must follow the same timetable described above. The supervisor should query or provide comments to the staff on the Supervisory Review Sheet, Enclosure (1). The supervisor should indicate that he or she has completed supervisory review of evaluation documents by initialing and dating them. This may be done by indicating on a series of related workpapers that they have been reviewed. For example it would not be necessary to initial each page of a 4-page interview write up.

(2) Quality Assurance (QA) Checklist

(a) Supervisory review of the QA checklist is required to ensure that an audit or evaluation team produces a high-quality product. The checklist for performance audits and evaluation is provided in Enclosure (2). The checklist is also available in electronic format in the TeamMate library. Part I of each checklist covers the required steps for audit planning and field work, and Part II covers the required steps for audit reporting. QA checklists for attestation engagements and financial audits are contained in OIG policies 2211.2: Chapter 11 and 2213.1: Chapter 13, respectfully.

(b) Audit and evaluation teams must prepare a QA checklist for each performance audit or evaluation that cites compliance with GAGAS. A QA checklist will also be prepared for evaluations not done under GAGAS with the exceptions noted on the checklist.

(c) When completing a QA checklist, the audit or evaluation team must review the project documentation in sufficient depth to ensure that each step on the checklist is fully supported by, and is cross-indexed to, the relevant audit or evaluation documentation. The team must provide an explanation for any audit or evaluation step that is checked with a "no" or "N/A" answer.

(d) The senior directors are responsible for reviewing the QA checklist to ensure that each step has been completed and has been properly documented. They must review and sign-off on the checklist at two points in the process: (1) before the draft report is sent to Amtrak for comments and (2) before the final report is issued. The sign-off should be done on the electronic version of the checklist in TeamMate or documented in the evaluation project file by completing the QA checklist in Enclosure (2) and, if necessary, attach additional explanation sheets to it. The chiefs/senior directors should indicate that they have completed their review of the checklist by signing off on the last page.

A handwritten signature in black ink, appearing to read 'Theodore P. Alves', with a long, sweeping horizontal line extending to the right.

THEODORE P. ALVES
Inspector General

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Supervisory Review Sheet for Evaluation Documentation

Reviewer_____ **Project Title**_____

Reviewer Title _____ **Project Number** _____

Date _____ **File/Folder No.** _____

W/P Reference	Comments	Action Taken	Name/Date

All actions required to clear reviewer comments have been satisfactorily completed.

Reviewer

Date _____

Enclosure (1)

Chapter 6

Quality Assurance Checklist for Performance Audits and Evaluations

Project Title _____ Project No. _____

Part I : Performance Audit/Evaluation Planning and Field Work Checklist

(The team may attach additional explanation sheets if it is preparing the checklist in hard-copy format)

Performance Audit or Evaluation Step	Yes (TeamMate hyperlink or hard-copy cross-index)	No or N/A (Explanation)
Project Proposal		
1. Was a project initiation package prepared and the AIG's approval documented?		
Survey and Decision Meeting		
2. Was an engagement letter issued? Was an entrance conference held?		
3. Was a survey guide prepared and the AIG's approval documented?		
4. Does the survey guide include steps to document the team's basis for relying on computer-based information that is relevant to the audit or evaluation objectives? – Are risks identified? – Are alternative procedures planned if computer-based data are unreliable?		
5. Before engaging an outside consultant, did the project team verify and document the consultant's: – independence? (See Chapter 2) – professional competence (ability to perform the work and report results impartially)?		
6. Does the survey guide include consultation with an attorney in General Counsel on related legal issues?		
7. Does the survey guide include coordination with the Office of Investigations on related current or recently completed investigations?		
8. Were all survey guide steps completed and cross-indexed to the appropriate audit or evaluation documentation?		
9. If survey guide steps were not completed, were explanations provided?		
10. Does the survey project documentation show evidence of supervisory review at the completion of the survey phase (prior to the decision meeting)?		
11. Decision Meeting – Were the results of the decision meeting documented? – If the audit or evaluation scope or objective(s) were substantially modified, was Amtrak formally notified?		

Performance Audit or Evaluation Step	Yes (TeamMate hyperlink or hard-copy cross-index)	No or N/A (Explanation)
Analysis		
12. Was an audit or evaluation program addressing the project objectives prepared?		
13. Were the audit or evaluation program and any changes approved by the AIG?		
14. Does the audit or evaluation program address all announced objectives/or revised objectives agreed to at decision meeting?		
15. Does the audit or evaluation program state the criteria that should be evaluated? Are the criteria relevant to the objectives?		
16. Does the project documentation show that team members followed up on prior audit and evaluation findings and recommendations to determine if they are relevant to the current objectives and if appropriate corrective measures have been taken?		
17. Does the program include steps to document the team's basis for relying on computer-based information systems that are relevant to the audit objectives? – Are risks identified? – Are alternative procedures planned if computer-based data are unreliable?		
18. Does the audit or evaluation program include steps for detecting internal control deficiencies that are significant within the context of the project objectives?		
19. Does the program include steps for detecting fraudulent or illegal acts, violations of contract or grant agreement provisions, or abuse that are significant within the context of the audit or evaluation objectives?		
20. Does the audit or evaluation program include consultation with an attorney in General Counsel on related legal issues?		
21. If the OIG relied on an outside consultant's work, did the team – obtain evidence of qualifications? – obtain evidence of independence? – evaluate the consultant's work? – coordinate the consultant's contribution to the report?		
22. If a mid-course meeting was held, does the project documentation include evidence of planned actions as a result of the meeting?		
23. Were all audit or evaluation program steps completed and cross-indexed to the appropriate project documentation?		

Performance Audit or Evaluation Step	Yes (TeamMate hyperlink or hard-copy cross-index)	No or N/A (Explanation)
24. If program steps were not completed, were explanations provided?		
25. Does the audit or evaluation documentation show evidence of supervisory review at the end of analysis (prior to the message meeting)?		
Message Meeting		
26. Were the results of the message meeting documented? If the meeting was waived by the Deputy IG, was the waiver documented?		

Part II: Performance Audit/Evaluation Reporting Checklist

Performance Audit and Evaluation Step	Yes (TeamMate hyperlink or hard-copy cross-index)	No or N/A (Explanation)
Draft Report		
27. Are the audit or evaluation objectives clearly stated and answered?		
28. Does the draft report include all identified internal control deficiencies that are significant within the context of the project objectives?		
29. Does the draft report include all identified violations of laws, regulations, or provisions of contracts or grant agreements; fraud; or abuse that are significant within the context of the project objectives?		
30. Does the draft report clearly develop the elements of each finding? – Condition – Criteria – Cause – Effect		
31. GAGAS compliance statements (see Chapter 5): – If the audit or evaluation complies with GAGAS, does the report include the mandatory unmodified GAGAS statement? – If the report uses a modified GAGAS statement, does the report clearly explain any variation from GAGAS and the impact on the audit or evaluation?		
32. Was the draft report cross-indexed to the audit or evaluation documentation?		
33. Does the project documentation indicate that supervisory review was completed <u>before</u> independent referencing began?		
34. Was the draft report independently referenced before it was forwarded to Amtrak?		

Performance Audit and Evaluation Step	Yes (TeamMate hyperlink or hard-copy cross-index)	No or N/A (Explanation)
35. Does the project documentation indicate that all independent referencer's notes were cleared before the draft report was sent to Amtrak?		
36. If necessary, did the OIG General Counsel and other technical experts concur with the draft report before it was forwarded to Amtrak?		
37. If a discussion draft went to Amtrak before the exit conference, did the responsible AIG approve the discussion draft?		
38. Does the draft report or transmittal memorandum request that Amtrak respond to each recommendation, including actions taken or planned and estimated completion dates?		
39. Has a specific recommendation been included for achieving any monetary benefits associated with the report?		
40. If the draft report includes information that is proprietary or sensitive in nature, does it contain appropriate protective markings? (See Chapter 9.)		
41. If proprietary or sensitive security information was deleted, does the draft report state the nature of the information and the reason for its omission? (See Chapter 9.)		
Final Report		
42. Was the final report cross-indexed to the project documentation?		
43. If necessary, did the OIG General Counsel and other technical experts concur with the final report before it was issued?		
44. Was the final report independently referenced before it was issued?		
45. Does the audit or evaluation documentation indicate that all independent referencer's notes were cleared before the final report was issued?		
46. Does the final report contain Amtrak's response to each recommendation, including actions taken or planned and estimated completion dates for implementation?		
47. Does the final report reflect comments from Amtrak and note any OIG exceptions to these comments?		
48. If the final report includes information of a proprietary or sensitive nature, does it contain appropriate protective markings? (See Chapter 9.)		
49. If proprietary or sensitive security information was deleted, does the final report state the nature of the information and the reason for its omission? (See Chapter 9.)		
50. Does the publicly accessible electronic version of the final report comply with Section 508 of the Rehabilitation Act of 1973, as amended? (See Chapter 9.)		

Performance Audit and Evaluation Step	Yes (TeamMate hyperlink or hard-copy cross-index)	No or N/A (Explanation)
51. Does the final report provide for issuance and distribution to the proper officials? (See Chapter 9.)		
Communication with the Agency		
52. Does the audit or evaluation documentation include evidence of communication with Amtrak? <ul style="list-style-type: none"> – Entrance Conference – Discussions/Meetings – Exit Conference 		

Checklist was prepared by:

Print Name Signature Date

For the draft report, the checklist was reviewed by:

Print Name Senior Director Signature Date

For the final report, the checklist was reviewed by:

Print Name Preparer Signature Date

Print Name Senior Director Signature Date

Date of Draft _____

Date of Final _____



NATIONAL RAILROAD PASSENGER CORPORATION
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POLICY NUMBER 2207.2
OIG (Audit)
February 2, 2011

Subject: AUDIT AND EVALUATION MANUAL: CHAPTER 7 – COMMUNICATION
DURING THE AUDIT PROCESS

Reference: (a) Government Accountability Office's *Government Auditing Standards, July 2007 Revision*
(b) Amtrak Policy 2.1.2 (Amtrak and Office of the Inspector General Relationship Document)

1. PURPOSE. This chapter establishes policy and procedures for communicating with responsible Amtrak management officials during financial, attestation, performance audits, and evaluations conducted by the Office of Inspector General's (OIG) Audit and Inspections and Evaluations (I&E) offices. The guidance in this chapter conforms to the Government Accountability Office's (GAO) *Government Auditing Standards, July 2007 Revision*. Guidelines on communicating with auditees during testimonies are provided in OIG Policy 2212.2: Chapter 12 – Testimony Services.

2. CANCELLATION. This policy supersedes OIG Policy 2207.1 of September 7, 2010 in its entirety.

3. APPLICABILITY. These requirements apply to all audit and evaluation staff members who conduct financial audits, attestation, and performance audits and evaluations.

4. POLICY. The OIG's policy is to maintain effective, open communication with management. Open communication promotes resolution of data problems, concurrence with audit and evaluation findings, and timely implementation of recommendations. Surprises are to be avoided. The OIG will seek to avoid undertaking its work or presenting its findings without reasonable notice to management. Frequent interaction with responsible managers and employees during fieldwork is encouraged to ensure that findings, conclusions, and recommendations are accurately and fairly presented in the report.

5. REFERENCES. OIG staff members are encouraged to consult the following references for specific guidance on communicating with Amtrak management officials:

a. Generally Accepted Government Auditing Standards (GAGAS) References

(1) Performance Audit Field Work and Reporting (GAGAS 7.46 through 7.49; GAGAS 8.32 through 8.37)

(2) Financial Audit Field Work and Reporting (GAGAS 4.05 through 4.08; GAGAS 5.32 through 5.38)

(3) Attestation Engagements Field Work and Reporting (GAGAS 6.06 through 6.08; GAGAS 6.44 through 6.50)

b. Amtrak and OIG Reference. Amtrak Policy 2.1.2 of March 4, 2010, commonly referred to as the Amtrak and OIG Relationship Document, outlines procedures for “*coordination between Amtrak officials and OIG on audits and evaluations*” in section 7.

6. PROCEDURES. OIG staff should follow the guidance below in communicating with Amtrak officials and congressional requestors during and after an audit and evaluation. The audit or evaluation team should document its communications with Amtrak officials or congressional staff in the audit/evaluation documentation file.

a. During an audit or evaluation (regardless of whether the project is being done under GAGAS), the team should help Amtrak officials understand the audit or evaluations objectives, scope, methodology, timeframes, and data needs. The team should convey to Amtrak the specific nature of the project; general information on the plans for conducting the audit or evaluation and information on the final report, including its format and any potential restrictions.

b. During a financial statement audit, the audit team should help Amtrak, or those contracting for or requesting the audit, understand what services are to be performed. The team should document that understanding in a written communication. The information should include the nature of the planned work; the level of assurance to be provided related to internal control over financial reporting and compliance with laws, regulations, and contract or grant agreement provisions; and any potential restrictions on the final report.

c. During an attestation engagement, the audit team should help Amtrak officials understand the engagement objectives, scope, methodology, timeframes, and data needs. The team should establish an understanding with Amtrak of the services to be provided, the nature, timing, and extent of planned testing, the level of assurance that will be provided, and any potential restriction on the auditor’s report. The team should also convey to Amtrak general information on the audit report process.

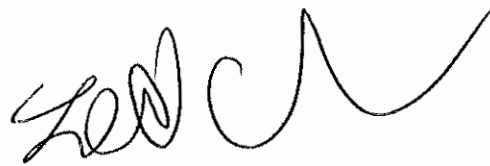
d. During an audit or evaluation requested by a Member of Congress or congressional committee, the audit or evaluation team should ensure proper communication with the requestor during all phases of the project. The team should consult with the Assistant Inspector General (AIG) for Management and Policy (M&P) for advice on or assistance in communicating with congressional requestors.

e. If the team detects potential fraud, abuse, illegal acts, or violations of contracts or grant agreement provisions during an audit, the team must immediately contact the AIG of Audit or Inspections and Evaluations, the AIG for Investigations; and the OIG General Counsel before contacting Amtrak concerning the allegation. This procedure is designed to avoid compromising potential or ongoing investigative or legal proceedings.

f. If an audit or evaluation is terminated before it is completed and a report is not issued, the audit or evaluation team should document the results of the work undertaken to the date of termination and the reason for the termination. The team should use professional judgment in

determining how to communicate the reason for terminating the audit, evaluation or review to staff or other Amtrak officials. Specific requirements on attestation engagements are contained in OIG Policy 2211.2: Chapter 11 – Attestation Engagements.

g. After a report is issued, audit and evaluation staff will continue to communicate with Amtrak officials to monitor the status of recommendations. The AIG that issues the report, or his/her designee, is responsible for following-up with Amtrak on any open recommendations including monitoring the timeliness of actions taken by Amtrak management. Detailed information on audit and evaluation follow-up is provided in OIG Policy 2216.1: Chapter 16 - Project and Recommendation Tracking.

A handwritten signature in black ink, appearing to read 'TED ALVES', with a stylized flourish extending from the end.

THEODORE P. ALVES
Inspector General

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POLICY NUMBER 2208.1
OIG (Audit)
August 6, 2010 Revised

Subject: AUDIT AND EVALUATION MANUAL: CHAPTER 8 – AUDIT AND
EVALUATION DOCUMENTATION

Reference: (a) Government Accountability Office's *Government Auditing Standards, July 2007 Revision*
(b) Amtrak Policy 2.1.2 (Office of Inspector General)

1. PURPOSE. This chapter establishes policy and procedures for preparing, organizing, reviewing, accessing, safeguarding, and retaining audit and evaluation documentation for performance and financial audits and attestation engagements conducted by the Office of Inspector General's (OIG) Audit and Inspections and Evaluations (I&E) offices. The guidance in this chapter conforms to Reference (a), the Government Accountability Office's (GAO) *Government Auditing Standards, July 2007 Revision* (paragraphs 4.19 through 4.24, 6.20 through 6.26, and 7.77 through 7.84). Guidelines on documenting testimony are provided in Chapter 12 – Testimony Services.

2. CANCELLATION. This policy supersedes the *OIG Audit Procedures Manual* of September 17, 2007 (II-9 on workpapers). Once all chapters contained in the *Audit and Evaluation Manual* are published, the *OIG Audit Procedures Manual* of September 17, 2007 will be canceled in its entirety.

3. APPLICABILITY. These requirements apply to all Amtrak OIG audits and evaluations that cite generally accepted government auditing standards (GAGAS).

4. POLICY

a. OIG staff must prepare documentation for each audit and evaluation. The documentation constitutes the principal record of the work that the audit or evaluation team has performed. Documentation consists of individual documents (electronic or hard-copy) that record the work performed, including planning, conducting, and reporting on an audit or evaluation, and the evidence that supports the findings, conclusions, and recommendations. Audit staff must document the project in TeamMate, an electronic audit management system unless this requirement is waived by the assistant inspector general (AIG) in consultation with the Deputy Inspector General (DIG).

b. It is the OIG's preference that the I&E staff document the project in TeamMate. However, we recognize that there will be instances where an evaluation project will not be documented in TeamMate. Therefore, the AIG for I&E, in consultation with the DIG, will document in hard-copy work papers, at the project initiation phase, the decision and reason that the evaluation team is not using TeamMate.

c. Evidentiary audit and evaluation documentation must be completed and reviewed by the supervisor before a report is issued (See Chapter 6 – Supervision).

Audit and evaluation documentation must be safeguarded and retained according to applicable legal, regulatory, and administrative requirements for records retention.

5. PROCEDURES

a. Providing Guidance to Staff. Audit and evaluation teams should use the following procedures to document a project in electronic or other format, share audit/evaluation documents with OIG staff and outside requestors, and safeguard and retain audit/evaluation documentation.

b. Documenting Audits and Evaluations. A team should prepare audit and evaluation documentation in sufficient detail so as to enable an experienced auditor or evaluator, having no previous connection to the project, to understand the nature, timing, and extent of procedures performed to comply with GAGAS; the results of the audit or evaluation procedures performed and the evidence obtained; the conclusions reached on significant matters; and that the accounting records agree or reconcile with the audited financial statements or other audited information. If an audit or evaluation team does not comply with GAGAS requirements because of legal requirements or restrictions on access to records or for other reasons, the team should document the departure from GAGAS and its impact on the audit/evaluation and on the conclusions (See Chapters 5, 11, and 13 for GAGAS compliance statements).

(1) Using TeamMate or Hard-Copy Work Paper Files for Project Documentation

(a) An audit or evaluation team must document the project in TeamMate. As previously stated in Paragraph 4b, an evaluation team (subject to the approval of the AIG in consultation with the DIG) may use hard-copy work paper files. In such cases the evaluation team should follow the same procedures as outlined below, as if they were using TeamMate. An audit or evaluation team using TeamMate may retain large documents, databases, or other materials in non-electronic formats but should identify them and note their physical location in the *TeamMate Master Hard Copy Index*.

(b) A TeamMate or hard-copy documentation file consists of the following three sections:

1. Planning and Project Administration Section, which contains background information, project proposal, engagement letter, entrance/exit conferences, survey and verification program, and required checklists such as supervisory and quality assurance checklists.

2. Findings and Reports Section, which contains folders (work papers) for finding sheets, audit findings, discussion drafts, draft reports, final reports, indexed and independently referenced draft and final reports, the signed final report, and Management response and follow-up.

3. Survey and Field Section, which contains evidentiary documentation that provides support for audit/evaluation findings, conclusions, and recommendations. Team members may organize the evidentiary documentation by objective, geographic coverage, or any other way that meets the circumstances of the audit or evaluation.

(c) In preparing an individual audit or evaluation document (called a “procedure” in TeamMate), the team, regardless of whether it is working in TeamMate or in another format, should include the following information:

- Purpose of the individual audit or evaluation document (e.g., background, to review, analyze, or describe something).
- Source(s) and date of the information (e.g., who provided the information or where it was obtained).
- Scope of work performed (e.g., extent of information collected including any timeframes, or range of documents reviewed).
- Methodology or technique used to analyze the information (e.g., an interview, literature review, observation, quantitative or qualitative analysis) and a narrative, of the work done or information collected to support any conclusion that is to be reported.
- Conclusions drawn from the methodology, review, analysis, description, or spreadsheets, etc.
- Work papers or documents that contain a conclusion must be cross referenced to source data.
- Name of staff member who prepared the individual document and date of completion.

(2) Cross-indexing an Audit or Evaluation Report. Cross-indexing is a quality control step designed to ensure that the contents of an audit or evaluation report are adequately and accurately supported by the audit/evaluation documentation. Complete and accurate cross-indexing facilitates the preparation and review of a report and reduces the risk of issuing an inaccurate report (See Chapter 10 – Quality Control (Cross-indexing and Referencing) for detailed guidance on cross-indexing a report).

(3) Providing Supervisory Review of Audit Documentation

(a) Supervisory review of audit/evaluation documentation is an ongoing quality assurance process designed to ensure that individual documents are complete, accurate, clear, and understandable. Supervisors should use their professional judgment in determining how much and what kind of supervisory review is needed, taking into account the audit or evaluation team’s experience and knowledge. Supervisory review of audit/evaluation documentation must be completed in a timely manner and at a minimum, at the points in the audit and evaluation process outlined in Chapter 6 – Supervision (Performance Audits and Evaluations).

(b) Supervisors should use the coaching note feature in TeamMate to communicate with team members, providing positive feedback as well as identifying any deficiencies or remedial actions that need to be taken. The coaching note feature records the supervisor’s comments, the team member’s responses, the supervisor’s sign-off, and the dates of each.

(c) To indicate that they have completed their review of audit/evaluation documentation, supervisors must sign off electronically in the appropriate locations in TeamMate. A report that documents the supervisory review history is automatically retained in the project’s documentation.

(c) For projects documented in hard copy format, supervisors should provide comments to team members on any deficiencies or remedial actions that need to be taken by using a Supervisory Review Sheet (See Chapter 6, Enclosure (1)). Supervisory Review Sheets should be retained in the documentation file.

(4) Independent Referencing. Independent referencing is the final quality control step designed to ensure that audit/evaluation documentation provides support for the findings, conclusions, and recommendations. It is the final step in the documentation process (See Chapter 10 – Quality Control (Cross-indexing and Referencing) for detailed guidance on independent referencing).

(5) Documenting an Audit Termination. If an audit or evaluation is terminated, the team should document the results of the audit/evaluation work up to the date of termination and provide the reasons for the termination. The team should also document any notification of an audit/evaluation termination that it transmits to Amtrak. Please refer to Chapter 11 on Attestation Engagements for additional guidance.

c. Sharing Audit Documentation with Others. In general, only Audit and I&E staff members will have access to audit/evaluation documentation related to an active project. Under some circumstances, a non-audit/evaluation OIG staff member and contractors may be granted access to documentation related to an active project; requests for such access should be submitted to the respective AIG. Staff should refer to Reference (b), Amtrak Policy 2.1.2 – Office of Inspector General, section 5(e) regarding Amtrak's need to protect confidential, sensitive, or privileged information from inappropriate disclosure. Requests from non-OIG entities for documentation related to a completed project (with a report issued) may be granted by the AIG in consultation with the IG, DIG and OIG General Counsel.

d. Safeguarding Audit/Evaluation Documentation

(1) Team members are responsible for safeguarding documentation developed during an audit or evaluation to ensure that it is not lost, stolen, or altered. In general, during an audit or evaluation, access to TeamMate documentation will be restricted to members of the team and TeamMate administrators. To protect audit documentation from alteration after an audit or evaluation has been completed, the TeamMate file should be converted to a read-only format and access limited to authorized users.

(2) The audit or evaluation team is responsible for providing special safeguards for project documentation that contains information of a security-sensitive (i.e., detailed accurate location of strategic sensitive transportation assets or facilities), confidential (i.e., Amtrak's confidential financial, commercial, trade secret or proprietary information) or information which could adversely impact individual privacy (i.e., identity of target, witness, or source; medical data, social security numbers, and personal information contained in law enforcement records). If the documentation is stored electronically in TeamMate, the team must provide certain restrictive markings on the documentation. The team should consult the TeamMate administrators for guidance on properly marking and protecting the information. If the confidential, security-sensitive, or privacy information is in hard copy or other format, the team must secure the material in an approved locked container or office.

(3) The following categories of information require special safeguards (See Chapter 9 – Report Preparation and Distribution) for additional guidance on handling sensitive and proprietary information:

- Sensitive Security Information (SSI) is a control designation used by the Department of Homeland Security, and particularly the Transportation Security Administration. It is applied to information about security programs, vulnerability and threat assessments, screening processes, technical specifications of certain screening equipment and objects used to test screening equipment, and equipment used for communicating security information relating to air, land, or maritime transportation. SSI, if publicly disclosed, could endanger the security of the Nation's transportation system and the safety of the traveling public. The applicable information is spelled out in greater detail in 49 CFR 1520.7.
- Confidential information consists of Amtrak's or Amtrak contractors' confidential financial, commercial, trade secret or proprietary information.
- Personally Identifiable Information (PII) is information about an individual maintained by Amtrak that allows that individual to be identified through direct or indirect means. Some PII is not sensitive, such as PII on a business card. Other PII is Sensitive Personally Identifiable Information (SPII), such as a social security number or alien number, and requires stricter handling guidelines because of the increased risk to an individual if compromised. SPII is personally identifiable information, which if lost, compromised, or disclosed without authorization, could result in substantial harm, embarrassment, inconvenience, or unfairness to an individual.
- Privileged information obtained from Amtrak will be accorded the meanings ascribed to them under the Freedom of Information Act (FOIA).

e. Retaining Audit/Evaluation Documentation. OIG staff should retain electronic TeamMate or hard copy format project documentation files at OIG offices for at least 2 years after the end of the fiscal year in which all recommendations have been closed. At the end of 2 years after closure of recommendations, the project documentation can be archived.



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POLICY NUMBER 2209.2
OIG (Audit)
February 2, 2011

Subject: AUDIT AND EVALUATION MANUAL: CHAPTER 9 – AUDIT AND
EVALUATION REPORTS PREPARATION AND DISTRIBUTION

Reference: (a) Government Accountability Office's *Government Auditing Standards, July 2007 Revision*
(b) Amtrak Policy 2.1.2 (Office of Inspector General)
(c) OIG Policy 2208.1 Audit and Evaluation Manual: Chapter 8 (Audit and Evaluation Documentation)
(d) OIG Policy 2110.1 (Semi Annual Report)
(e) OIG Policy 6100.2 (Website Content and Publications)

1. PURPOSE. This chapter establishes policy and procedures for preparing and distributing audit and evaluation reports issued by the Office of Inspector General (OIG). The guidance in this chapter conforms to Reference (a), the Government Accountability Office's (GAO) *Government Auditing Standards, July 2007 Revision* (Chapter 5).

2. CANCELLATION. This policy supersedes OIG Policy 2209.1 of September 7, 2010 in its entirety.

3. APPLICABILITY AND SCOPE. These requirements apply to all audit, evaluation reports, and other products that are issued in compliance with generally accepted government auditing standards (GAGAS). Guidelines on preparing and issuing attestation engagement and testimony reports are provided in OIG policies 2211.2 and 2212.1 respectively and financial audits in OIG Policy 2213.1: Chapter 13. Additional information on audit and evaluation reporting is available in OIG Policy 2205.1: Chapter 5 - Audit and Evaluation Process.

4. POLICY. OIG staff should communicate the results of audits and evaluations in a report format that is appropriate for its intended use. The report should be in a written or other format that is retrievable by Amtrak officials and other report users. The final report should also be made publicly accessible on the OIG's website. However, if a final report contains information of a confidential or proprietary nature, OIG staff should take extra precautions to ensure that access to such information is restricted, as necessary.

5. PROCEDURES. This section provides procedures on formatting draft and final reports, distributing reports, and handling reports that contain confidential or proprietary information. For reports with confidential or proprietary information, the team should also refer to the guidance in paragraph 5c., below.

a. Formatting Reports. In most cases, OIG staff will present the results of its work in a standard written report; however, staff may also convey its findings in other formats, such as management advisory memoranda, interim reports, letters, or letters with briefing slides. To

facilitate the preparation of a draft or final report, OIG staff should use the standard audit report and report cover templates available on the OIG Secure Subnet.

(1) Report Cover

(a) Draft Report. The cover of a *draft report* being issued for Amtrak comments should contain the word “*Draft Report*,” the project number and the phrase “*Draft – Not for Public Release*” followed by the protective marking below:

"This draft report is prepared for Amtrak and may include privileged information. As such this report may not be released to any organization outside Amtrak without the approval of the Office of Inspector General. The draft report may be revised by the OIG before issuance of the final report."

(b) Final Audit Report. The cover of a *final audit report* should contain the words “*Office of Inspector General*” and, if the audit work has complied with GAGAS, the words “*Audit Report.*” If the final report contains confidential data the following heading should be added to the final report cover:

Centered: CONFIDENTIAL
CONTAINS PROPRIETARY DATA

Followed by:

This report contains proprietary information and should be appropriately protected. Proprietary information includes contractor financial data, intellectual property, and performance details that the contractor (or Amtrak) considers sensitive. It should not be released or disclosed other than to those Amtrak and contractor officials that require access in the performance of their official duties. You should not use the information contained in this document for purposes other than action on the subject of this information without the approval of the Office of Inspector General.

(c) Final Evaluation Report. The cover of a final evaluation report should contain the words “*Office of Inspector General*” and the words “*Evaluation Report*.” If the report includes confidential information, the citation above should be used on the cover of the evaluation report.

(2) Title Page. The title page of a final report should include a title that succinctly describes the subject of the audit or evaluation, the report number, and the date of issuance.

(3) Report Contents. Generally evaluation reports will conform to the performance audit standards. Refer to OIG Policy 2201.2: Chapter 1 – Introduction and Professional Standards, paragraph 5e, for additional guidance on evaluation projects.

(a) A performance audit report will generally include a report cover, title page, transmittal memorandum, executive summary or results in brief, objectives, scope and methodology (as an exhibit), GAGAS compliance statement, background, prior audit reports (if

applicable, as an exhibit), findings, recommendations, management comments and OIG response (final report only), exhibits, and appendices. In a long report the executive summary is followed by a table of contents. (Note. Evaluation reports will contain the same information if they cite GAGAS).

(b) For financial audits refer to OIG Policy 2213.1: Chapter 13 – Financial Audits.

(c) For attestation engagements refer to OIG Policy 2211.2: Chapter 11 – Attestation Engagements.

(d) The draft report transmittal memorandum includes standard language on the request to Amtrak to provide a written response to the recommendations including target dates and to highlight confidential or proprietary information the company believes should be redacted in the final report. (Note: For the full language refer to the draft report template on the OIG Secure Subnet).

(e) In the instances where the OIG is asking for Amtrak management to reply to a final report (request to reconsider a response to a recommendation, provide clarification on a response or some other action), this information should be included in the transmittal memorandum to the final, summarized at the end of the executive summary, and explained in the management comments and OIG response section of the final report.

(4) Attachments. Two kinds of attachments can be appended to audit and evaluation reports.

(a) An exhibit contains material that is prepared by the audit or evaluation staff. This material includes a detailed scope and methodology section; prior audit or evaluation coverage if applicable, acronyms; large charts, tables, or photographs; or activities visited or contacted. Exhibits are identified alphabetically (e.g., A, B, C, etc.).

(b) An appendix contains material provided by non-OIG entities, such as Amtrak's response or contractor data. Appendices are numbered sequentially (e.g., 1, 2, 3, etc.).

(5) Section 508 Compliant Presentation. An audit or evaluation report that will be posted electronically on the OIG's publicly accessible website must comply with Section 508 of the Rehabilitation Act of 1973, as amended by Title IV of the Workforce Investment Act of 1998. This Act requires Federal agencies to make their electronic and information technology accessible to individuals with visual disabilities. To comply with this Act, an electronic copy of an audit report must include a textual version of any chart, table, or graph. The textual material should be placed at the end of the report with an appropriate statement, such as the following:

"The following page[s] contains a textual version[s] of the graphs and charts found in this document. These pages were not in the original document but have been added here to accommodate assistive technology."

(6) Report Summary. The audit or evaluation team should prepare a brief report summary that will be used in the OIG's Semi Annual Report. The summary should include the name of the requestor (if relevant), the date of issuance, the objectives, key findings and results, summary of recommendations, and management's response. Reference (d) provides guidance on how to prepare the summary for the OIG's Semi Annual Report. This report summary is submitted to M&P at the same time the audit or evaluation report summary is processed for posting on the OIG website. Reference (e) provides additional guidance on OIG Policy 6100.2 on the OIG website. Additionally if the report contains confidential data, care must be taken to ensure that the summaries for the website and the semiannual report do not disclosure such information.

b. Distributing the Final Report

(1) A limited number of paper copies will be produced for distribution and archival purposes. In general, the final report will be distributed electronically to company and other officials, and it will be made publicly accessible on the OIG's website.

(2) As soon as the final report has been signed by the appropriate OIG official, the audit or evaluation team will deliver the report packet to Management and Policy (M&P). The packet will include:

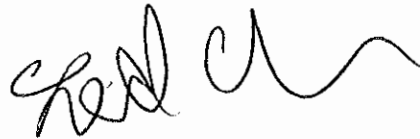
- the original signed report (hard copy),
- the Final Report Distribution List (includes all the names, titles and locations/ addresses of individuals to receive either electronic or hard copies),
- a short summary of the final report, and
- a 508 compliant electronic version of the final report containing appropriate metadata (guidance on metadata is available on the OIG Secure Subnet).

M&P will produce hard copy and/or electronic distribution copies based on the Final Report Distribution List provided by the respective AIG and will distribute these copies.

c. Handling Proprietary and Confidential Information. In some cases, an audit or evaluation report may contain information that is proprietary or sensitive in nature. In such cases, audit and evaluation teams must take extra precautions to ensure that access to the information is restricted by placing protective markings on the report or by omitting the information from the report. If proprietary or sensitive information is omitted from a report, the audit or evaluation team should disclose in a footnote or statement on the first page (e.g., transmittal memorandum or executive summary) indicating that certain information has been omitted and provide the reasons why. References (b) and (c), Amtrak Policy 2.1.2 (Office of Inspector General) and OIG Policy 2208.1: Chapter 8 - Audit and Evaluation Documentation provide additional guidance on safeguarding documentation.

(1) For Official Use Only or Proprietary Information. When an audit or evaluation report contains *For Official Use Only* or proprietary information (e.g., commercial or financial data), the audit or evaluation team should place the appropriate protective marking on the bottom of

each page of the report, including on the cover and the transmittal letter. For further information refer to the "Relationship Document" between the OIG and Amtrak dated March 4, 2010. The marking is as follow: * **CONFIDENTIAL** *

A handwritten signature in black ink, appearing to read 'Theodore P. Alves', with a stylized flourish at the end.

THEODORE P. ALVES
Inspector General

Distribution:
Electronic via the OIG Secure Subnet
All OIG staff via posting notification



NATIONAL RAILROAD PASSENGER CORPORATION
Office of Inspector General
10 G Street N.E., Suite 3W-300
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POLICY NUMBER 2210.2
OIG (Audit)
February 2, 2011

Subject: AUDIT AND EVALUATION MANUAL: CHAPTER 10 – QUALITY CONTROL
CROSS-INDEXING AND REFERENCING

Reference: (a) Government Accountability Office's *Government Auditing Standards, July 2007 Revision* (Appendix I, A8.02a)

Enclosures: (1) Chapter 10 – Reference Sheet for Hard-copy Project Documentation
(2) Chapter 10 – Independent Referencer's Checklist

1. PURPOSE. This chapter establishes policy and procedures for ensuring quality control for financial audit, performance audit, and evaluation reports issued by the Office of Inspector General (OIG) Audit and Inspections and Evaluations (I&E) offices. The guidance in this chapter conforms to Reference (a), the Government Accountability Office's (GAO) *Government Auditing Standards, July 2007 Revision* (Appendix I, A8.02a). Note: Guidelines on cross-indexing and referencing attestation engagements and testimonies are provided in chapters 11 and 12, respectively.

2. CANCELLATION. This policy supersedes the OIG Policy 2210.1 of September 7, 2010 in its entirety.

3. APPLICABILITY. These requirements apply to all OIG staff who conduct financial and performance audits, and evaluations that cite generally accepted government auditing standards (GAGAS).

4. POLICY. To ensure that OIG audit and evaluation reports are of quality, OIG staff will follow a two-step quality control process. First, the audit or evaluation team will cross-index the report to the supporting evidence in the project documentation. Second, an independent referencer will verify that all statements of fact are accurately reported, that findings are adequately supported by the project documentation, and that conclusions and recommendations flow logically from the evidence. The team supervisor must review the documentation on an ongoing basis during the audit and evaluation processes, including before independent referencing begins. A draft report must be independently referenced before it is forwarded to Amtrak for comments, unless this requirement is waived by the responsible Assistant Inspector General (AIG) for Audit or I&E. If not independently referenced as a draft, a final report must be independently referenced before it is issued.

5. PROCEDURES. The quality control process has two stages: the audit or evaluation team cross indexes the contents of a report to the supporting documentation, and a referencer, who did not work on the audit or evaluation, verifies that the information is accurate and adequate.

a. Cross-indexing a Report. Cross-indexing ensures that a report is accurately and adequately supported by the audit or evaluation documentation, facilitates the preparation and review of a report, and reduces the risk of issuing an inaccurate report.

(1) The audit or evaluation team should cross-index a draft or final report using the hyperlink feature in TeamMate, OIG's electronic audit documentation system, or by inserting cross indexes into comment boxes within the word document. The team should cross-index each statement of fact and any illustrative material (i.e., tables, charts, diagrams, maps, or photographs) in the report back to the original supporting evidence in the audit or evaluation documentation. If the information represents an auditor's conclusion or opinion, the team should mark the information as "auditor's conclusion/opinion." The team should ensure that all hyperlinks or cross indexes within the audit or evaluation documentation are properly made (e.g., that summary information is linked back to the original supporting documentation).

(2) If evaluations are documented in a hard copy format, the team should cross-index the report using the traditional method of placing references in the printed version of the report. The team should cross-index each statement of fact and any illustrative material back to the original supporting material in the evaluation documentation. If the information represents an evaluator's conclusion or opinion, the team should mark the information as "evaluator's conclusion/opinion."

(3) The audit or evaluation team must complete cross-indexing a draft or final report before it is formally submitted to their AIG for OIG management review.

b. Independent Referencing. Independent referencing ensures that the evidence included in an audit or evaluation report is accurate, sufficient, and reasonable and does not contain any errors in logic or reasoning.

(1) Preparing for Independent Referencing

(a) Independent referencing is carried out by a staff member who has at least 3 years of auditing or evaluation experience, did not work on the audit or evaluation, and preferably is not under the supervision of the audit or evaluation supervisor(s).

(b) The independent referencer must not begin the referencing process until the audit or evaluation supervisor has completed reviewing, and signed off on the evidentiary documentation. The team should provide the independent referencer with access to the audit or evaluation documentation file and to the cross-indexed report.

(c) Independent referencing must be completed before a draft report is forwarded to Amtrak for comments, unless this requirement is waived by the responsible AIG. Independent referencing must be completed before a final report is issued.

(2) Undertaking Independent Referencing

(a) The independent referencer should trace each statement of fact, number, date, proper name, title, or quotation (in text, tables, and figures) in a report back to the supporting

project documentation to verify that they are accurately reported; ensure that adequate evidence is present to support the report's findings, conclusions, and recommendations; and ensure that conclusions and recommendations flow logically from the support.

(b) The independent referencer working electronically in TeamMate should place a tick mark next to every statement of fact, number, date, proper name, title, or quotation to indicate satisfaction with the accuracy and adequacy of the supporting evidence. If the information cannot be verified, the referencer should use coaching notes to record queries or comments for the team.

(c) The independent referencer working on a report in hard-copy format should check the items noted above and place a tick mark next to every statement of fact, number, date, proper name, title, or quotation to indicate satisfaction with the accuracy and adequacy of the evidence supporting the report's findings, conclusions, and recommendations; and ensure that conclusions and recommendations flow logically from the support. If the information cannot be verified, the referencer should use the Report Reference Sheet for Hard-copy Documentation, Enclosure (1), to record queries or comments for the team.

(d) The independent referencer should record minor editorial comments separately and give them to the team for their consideration.

(e) Additional guidance for the independent referencer is provided in Enclosure (2), the Independent Referencer's Checklist.

(3) Resolving Referencing Queries

(a) The independent referencer and the audit or evaluation team should jointly resolve all queries and comments in the coaching notes or on Enclosure (1). Team members should use the appropriate coaching note or Enclosure (1) comment to record their disposition of a referencer's query or comment. If the referencer is satisfied with the disposition, he or she will sign-off on the coaching note or Enclosure (1) comment.

(b) In cases where the independent referencer and team cannot agree on a resolution of a query or comment, the matter should be referred to the AIG that authorized the independent referencing. If the AIG agrees with the referencer, the team will make the necessary changes in the report and record this action in the coaching note or Enclosure (1). If the AIG agrees with the team, the team will record this decision in the coaching note or on Enclosure (1). This action will resolve the matter.

(c) The independent referencer will confirm that all coaching notes or Enclosure (1) comments have been cleared before signing off on the copy of the report that contains the agreed upon changes. The audit or evaluation team will forward this signed copy to the responsible AIG.

(4) Changing a Report after Independent Referencing Is Completed. Audit and evaluation teams should use the following procedures if changes are made to a report after independent referencing has been completed.

(a) The audit or evaluation supervisor will take full responsibility for making minor changes (those that do not alter statements of fact, numbers, dates, proper names, titles, quotations, conclusions, or recommendations) in a report.

(b) If the responsible AIG determines that changes involve adding or correcting factual material or changing the conclusions or recommendations, the audit or evaluation team and independent referencer should follow these procedures:

1. The team should re-index the information in the report that has been changed by linking it or cross-indexing it back to the supporting documentation.

2. The independent referencer should verify the new material using normal procedures, but should also ensure that the new material has not altered other information in the report, such as the OIG's opinions, conclusions, and recommendations.

(c) The team should add all cross-indexed and referenced versions of the report, referencer's comments, noted changes, and additional source material to the project documentation.

A handwritten signature in black ink, appearing to read 'Ted' followed by a stylized flourish.

THEODORE P. ALVES
Inspector General

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Chapter 10

Reference Sheet for Hard-copy Project Documentation

An independent referencer should use this sheet to reference a report that is documented in a hard-copy format.

[illegible]

Chapter 10

Independent Referencer's Checklist

Independent referencers should use the following checklist to ensure that they have addressed the key administrative and substantive issues in referencing an audit report.

Administrative Issues

- _____ 1. Confirm that the audit or evaluation supervisor has signed off on the project documentation.
- _____ 2. If the report significantly involves a legal or technical matter such as statistical sampling or engineering, ensure that technical material has been reviewed and approved by the appropriate specialist and that legal material has been reviewed and approved by the OIG General Counsel.
- _____ 3. Confirm that any computer-generated company data used in the report and significant to the report was tested for reliability and, if not, that the report has been appropriately qualified.
- _____ 4. Ensure that the audit documentation file is accurate and complete by selectively checking items from the audit documentation (e.g., summaries or lead schedules) with their links to supporting documents.

Substantive Issues

- _____ 1. Verify that all statements of fact, numbers, dates, proper names, titles, quotations, and information in tables and figures, etc., are correctly reported.
- _____ 2. Confirm that findings are adequately and accurately supported by the evidence.
- _____ 3. Ensure that conclusions and recommendations flow logically from the evidence.
- _____ 4. Evaluate attribution, if necessary. For example, if a statement is supported only by testimonial evidence, such as an interview, evaluate the source, the source's position and knowledge of the subject, and corroboration by others. If necessary, modify the source's statement by using the phrase "According to . . ." or "Information provided by . . ."
- _____ 5. Confirm that information identified as an auditor's or evaluator's opinion or conclusion does not contain elements of fact that require supporting evidence and that a "cold reader" could reach a similar conclusion.
- _____ 6. Verify that calculations are correct, including the formulas used in the calculations.
- _____ 7. Check that material, including figures, from prior OIG reports and other products has been verified as current.
- _____ 8. Check for consistency in the use of names, abbreviations, acronyms, etc.
- _____ 9. Check for consistency in the headings and the text that follows and between a table or figure and the related text.
- _____ 10. Is the recommendation addressed to the appropriate Amtrak official?
- _____ 11. Use professional judgment and common sense and be reasonable.



NATIONAL RAILROAD PASSENGER CORPORATION
Office of Inspector General
10 G Street N.E., Suite 3W-300
Washington DC 20002

POLICY NUMBER 2211.2
OIG (Audit)
February 2, 2011

Subject: AUDIT AND EVALUATION MANUAL: CHAPTER 11 – ATTESTATION
ENGAGEMENTS

Reference: (a) Government Accountability Office's *Government Auditing Standards, July 2007 Revision*

Enclosures: (1) Chapter 11 – Project Initiation Package
(2) Chapter 11 – Guidelines for Preparing a Survey Guide
(3) Chapter 11 – Guidelines for Preparing an Audit Program
(4) Chapter 11 – Outline Sheet for Identifying the Elements of Each Finding
(5) Chapter 11 – Quality Assurance Checklist for Attestation Engagements

1. PURPOSE. This chapter establishes policy and procedures for conducting attestation engagements in the Office of Inspector General's (OIG) Office of Audit. The guidance in this chapter conforms with the Government Accountability Office's (GAO) Government Auditing Standards, July 2007 Revision (Chapters 1 through 3 and 6). Guidelines on conducting performance audits, preparing testimonies, and financial audits are provided in OIG Audit and Evaluation policies 2205.1, 2212.1, and 2213.1 (chapters 5, 12, and 13 respectively).

2. CANCELLATION. This policy supersedes OIG Policy 2211.1 of September 7, 2010 in its entirety.

3. APPLICABILITY. These requirements apply to all staff during the performance of an attestation engagement that complies with generally accepted government auditing standards (GAGAS).

4. POLICY

a. Audit staff must comply with generally accepted government auditing standards (GAGAS) in performing attestation engagement services. For attestation engagements, GAGAS incorporate the American Institute of Certified Public Accountants (AICPA) general standard on criteria, and the field work and reporting standards and the related statements on standards for attestation engagements (SSAE), unless specifically excluded or modified by GAGAS. Attestation engagements follow most of the same policies and procedures for work process, supervision, communication, documentation, and quality control that are set forth for performance audits (chapters 5 through 10). At a minimum, audit staff conducting an engagement should be knowledgeable in, and competent in applying, the American Institute of Certified Public Accountants (AICPA) general attestation standard related to criteria, the AICPA attestation standards for field work and reporting, and the related SSAE.

b. It is preferable that audits of contracts (vendor audits) be conducted as agreed upon procedures so as to maximize their usefulness by focusing on specific concerns and minimizing the time required.

5. PROCEDURES

a. Definitions and Types of Attestation Engagements. Attestation engagements can cover a broad range of financial and non-financial objectives and may provide different levels of assurance about the subject matter or assertion depending on the users' needs. Attestation engagements result in an examination, a review, or an agreed-upon procedures report on a subject matter or on an assertion about a subject matter that is the responsibility of another party. The three types of attestation engagements are:

(1) Examination. Consists of obtaining sufficient, appropriate evidence to express an opinion on whether the subject matter is based on (or conforms with) the criteria in all material respects or the assertion is presented (or fairly stated) in all material aspects based on the criteria.

(2) Review. Consists of sufficient testing to express a conclusion about whether any information came to staff's attention on the basis of the work performed that indicates the subject matter is not based on (or not in conformity with) the criteria or the assertion is not presented (or not fairly stated) in all material respects based on the criteria. As stated in the AICPA SSAE, audit staff should not perform review-level work for reporting on internal control or compliance with laws and regulations.

(3) Agreed-Upon Procedures. Agreed-upon procedures consist of specific procedures performed on a subject matter.

The subject matter of an attestation engagement may take many forms. Possible subjects of attestation engagements include reporting on:

- The accuracy and reliability of reported performance measures;
- Management's discussion and analysis (MD&A) presentation;
- The effectiveness of Amtrak's internal control over compliance with specified requirements such as those governing bidding or accounting for grants or contracts;
- Incurred final contract costs are supported with required evidence and in compliance with contract terms;
- The allowability and reasonableness of proposed contract amounts based on detailed costs;
- The quantity, condition, or valuation of inventory or assets; and
- Specific procedures performed on a subject matter (agreed-upon procedures).

(See Government Auditing Standards 1.24 for additional examples.)

b. Conducting an Attestation Engagement. In general, Audit staff members should follow the same process in conducting an attestation engagement as they would in undertaking a performance audit as described in Chapter 5 – Audit and Evaluation Process.

(1) Project Proposal Phase. This phase includes determining that the OIG has not performed a related non-audit service that would impair its independence in conducting the engagement. The engagement team should prepare a one to two-page engagement letter that identifies the type of engagement to be performed and the level of assurance that will be provided, the proposed objectives, scope, the nature, timing and extent of planned testing and reporting, and any potential restriction on the auditor's report in order to reduce the risk of misinterpretation of the results. The team should complete the proposal process prescribed in Enclosure (1), Project Initiation Package. This package should contain:

- (a) a project proposal,
- (b) an engagement letter and a draft written acknowledgement or other evidence of the entity's responsibility for the subject matter or a written assertion as it relates to the engagement objectives if appropriate for the engagement type, and
- (c) a project initiation concurrence sheet.

(2) Survey Phase. The engagement team should follow the process outlined for the survey phase in OIG Policy 2205.1: Chapter 5 – Audit and Evaluation Process. This includes notifying the Amtrak Audit Liaison, holding an entrance conference, and preparing a survey guide, Enclosure (2). Care should be taken to comply with the GAGAS requirements in paragraph 6.13 on fraud, illegal acts, violations of contracts or grants or abuse that could have a material effect on the subject matter, and evaluating prior audit and attestation engagement results and any actions taken on prior recommendations. If the decision is to conduct an examination (versus a review or agreed upon procedures), additional requirements on internal control and fraud and illegal acts as discussed in GAGAS paragraphs 6.10, 6.11, and 6.13 should be included in the planning process. In certain cases, the Assistant Inspector General (AIG) for Audit may waive the requirement for a survey phase.

(3) Decision Meeting and Audit Program. Engagement staff should follow the procedures for holding a decision meeting described in OIG Policy 2205.1: Chapter 5 – Audit and Evaluation Process. The team will hold a decision meeting with the AIG for Audit and other participants when the survey field work is completed (about 6 to 8 weeks after the date of the entrance conference). In some cases, the AIG, with consultation of the Inspector General (IG) and Deputy Inspector General (DIG), may waive the decision meeting requirement. Following the decision meeting, the team will prepare the final audit program and enter it into TeamMate (See Enclosure (3), Guidelines for Preparing an Audit Program for Attestations).

(4) ANALYSIS. Engagement staff should follow the process for the analysis and field work phase established in OIG Policy 2205.1: Chapter 5 – Audit and Evaluation Process. However, instead of a results in brief or an executive summary, the team should prepare finding sheets, Enclosure (4). The AIG for Audit may request a mid-course meeting with the team, especially if the project is complex or high-profile.

(5) Message Meeting. This phase of the engagement should follow the guidance in OIG Policy 2205.1: Chapter 5 – Audit and Evaluation Process on preparing for a message meeting and holding a message meeting except as noted here on draft documents to be provided. At the message

meeting, the engagement staff should discuss the draft report outline and the finding sheets (See Enclosure (4)) with the Assistant Inspector General (AIG) for Audit and other attendees. In some cases, the AIG for Audit may waive the message meeting requirement.

(6) Draft Report. This phase of the engagement should generally follow the process described in OIG Policy 2205.1: Chapter 5 - Audit and Evaluation Process. This includes finalizing the draft report and holding an exit conference. Engagement staff will prepare a draft report following the logic and themes approved during the message meeting. The team should follow the GAGAS requirements for reporting on attestations in paragraphs 6.15 through 6.43 in preparing a draft report. The report should include a GAGAS compliance statement as required by paragraphs 6.32, 1.12, and 1.13.

(7) Final Report and Recommendations. Engagement staff should follow the procedures in OIG Policy 2205.1: Chapter 5 – Audit and Evaluation Process for the final report including obtaining Amtrak comments and issuing the final report. The team should incorporate Amtrak's comments into the final report. Additional guidance on audit follow-up is contained in OIG Policy 2207.2: Chapter 17 - Audit and Evaluation Follow-up.

c. Supervising an Attestation Engagement. To ensure the highest quality work, all attestation engagements must receive continuous supervision. During an engagement, staff should follow the procedures set forth in OIG Policy 2206.1: Chapter 6 – Supervision (Performance Audits and Evaluations). The engagement supervisor is responsible for promptly reviewing all attest documentation. The supervisor may provide comments to the staff electronically using the coaching note feature in TeamMate. If documentation is in hard-copy format, the supervisor should provide comments using the Supervisory Review Sheet (OIG Policy 2206.1: Chapter 6 - Supervision).

d. Communicating with Amtrak

(1) The engagement team should actively communicate with appropriate Amtrak officials or others who have contracted for or requested the engagement. According to GAGAS 6.07, auditors should communicate information on the nature, timing, and extent of planned testing and reporting on the subject matter; the level of assurance that will be provided; and any potential restriction on the final report.

(2) If an engagement is terminated before it is completed and a report is not issued, staff should document the results of the work to the date of termination and the reason the engagement was terminated. The engagement team should prepare a memorandum to convey to the requestor and other appropriate Amtrak officials the reason for the termination (GAGAS 6.08). The AIG for Audit will sign the memorandum, and it will be placed in the attest documentation.

(3) Staff performing attestation engagements should be alert to situations or transactions that could indicate potential fraud, illegal acts, violations of contract or grant agreement provisions, or abuse that could have a material effect on the subject matter. Staff must report such occurrences immediately to the AIGs for Audit and Investigations and the OIG General Counsel before they communicate with the audited entity and individuals contracting for or requesting the engagement.

e. Documenting an Attestation Engagement. Engagement staff should follow the documentation procedures outlined in OIG Policy 2208.1: Chapter 8 - Documentation. An attestation engagement is subject to the same policy and procedures for documenting an engagement, sharing engagement documentation with others and safeguarding and retaining engagement documentation as for a performance audit.

f. Reporting an Attestation Engagement. In general, staff preparing an attestation engagement report should follow the procedures for audit formatting and distribution described in OIG Policy 2209.2: Chapter 9 – Report Preparation and Distribution. When applicable, staff should also comply with additional GAGAS and AICPA requirements for attestation reporting (See GAGAS 1.11 through 1.13 and 6.30 through 6.55.). The specifics for OIG engagement reports are described below:

(1) Report Cover. The final report cover shall contain the words “Office of Inspector General” and, if the work meets GAGAS, the words “Audit Report.”

(2) Report Distribution. Staff should distribute final reports to the appropriate Amtrak management official requesting or arranging for the engagement, as well as legislative bodies and officials with oversight authority or who may have responsibility for taking action on the findings and recommendations. The availability of the report for public inspection should be documented in the attest documentation.

(3) Confidential or Proprietary. A final report containing confidential or proprietary information should comply with guidance provided in OIG Policy 2209.2: Chapter 9 – Report Preparation and Distribution.

(4) Limited Use of Engagement Reports. While the distribution of engagement reports completed under GAGAS is generally not limited, AICPA reporting standards require a statement limiting the use of reports under the following circumstances:

(a) When criteria used to evaluate the subject matter are determined by the auditor to be appropriate only for a limited number of parties who either participated in establishing the criteria or are presumed to have an adequate understanding of the criteria;

(b) When criteria used are available only to specified parties;

(c) When reporting on a subject matter and a written assertion has not been provided by the responsible party; and

(d) When issuing an agreed-upon procedures report.

g. Quality Control

(1) To ensure quality control in an attestation engagement, staff should follow the guidelines described for performance audits in OIG Policy 2210.2: Chapter 10 – Quality Control (Cross-Indexing and Referencing). Engagement staff will follow a two-stage quality process (cross-indexing reports to attest documentation and independent referencing). Each statement of

fact, number, date, proper name, title, or quotation (in text, tables, and figures) must be supported by the work performed. Staff must document these efforts in TeamMate, unless this requirement is waived by the AIG to use hard copy documentation.

(2) Engagement staff should complete the Quality Assurance Checklist for Attestation Engagements, Enclosure (5), for each engagement that cites compliance with GAGAS to ensure that key engagement steps and reporting requirements are completed and included in the attest documentation.

(3) Engagement staff are expected to review the engagement report and attest documentation in sufficient depth to ensure that all questions on the checklist are answered and are fully supported by, and referenced to, the applicable documentation. Staff members must provide an explanation for any engagement steps that are checked with a "no" or "N/A" answer. Additional explanation sheets may be attached to the checklist.

(4) The Senior Director is responsible for reviewing the Quality Assurance Checklist for Attestation Engagements to ensure that each step has been completed and properly documented. This includes signing the checklist once for the draft report (if one is issued) and once for the final report. The checklist must be completed and signed off before the final report is issued.

A handwritten signature in black ink, appearing to read 'Theodore P. Alves', with a stylized, flowing script.

THEODORE P. ALVES
Inspector General

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Electronic via the OIG Secure Subnet
All OIG staff via posting notification

Chapter 11

Project Initiation Package

To initiate an attestation engagement, an audit team must prepare an attestation project initiation package that contains these documents: a project proposal, a draft engagement letter and if needed, a draft acknowledgement, and a project initiation concurrence sheet. A project initiation concurrence sheet is provided below.

Project Proposal

A project proposal consists of a two-to four-page document that contains short sections on the following items:

- Introduction and background (what is the issue, why is it important, what prior work has been done on it).
- Proposed objectives.
- Type of attestation engagement and the level of assurance to be given if required.
- Proposed scope and methodology.
- Relevant criteria (required).
- The extent of testing and reporting expected and any potential restriction on the report in order to reduce the risk of misinterpretation.
- Tentative resource needs.
- Project timing (proposed schedule).

Draft Engagement Letter

The engagement letter is the OIG's formal notification to Amtrak of the commencement of an audit. The letter should contain the type of engagement to be performed and the level of assurance to be provided, the objectives, the nature, timing and extent of planned testing and reporting, and if needed a draft acknowledgement or other evidence of the entity's responsibility for the subject matter or a written assertion as it relates to the engagement objectives. The letter should also contain the expected starting date and the OIG's points of contact. For further information about communicating with company officials during an audit, see OIG Policy 2207.2: Chapter 7 – Communication during the Audit and Evaluation Process.

Project Initiation Concurrence Sheet

The project initiation concurrence sheet, which should be attached to the top of the project initiation package, ensures that the package has the concurrence of OIG management. The responsible senior director will approve the package before it is forwarded to the Assistant Inspector General (AIG) for Audit. The AIG for Audit will concur with the package, after consultation with the IG and DIG, or request a meeting to discuss the proposed audit.

Project Initiation Concurrence Sheet

Office of Inspector General

Routing Sheet for Project Initiation Package

Office: _____

Project Title: _____

Senior Director: _____
(signature)

Please review the attached project initiation package and let our office know if you concur with the project initiation package or request a project initiation meeting to discuss the proposed project.

Assistant Inspector General for Audit:

_____ Concurs

_____ Requests a meeting

Chapter 11

Guidelines for Preparing a Survey Guide

The following guidelines are designed to help the engagement team prepare an attestation survey guide. The survey guide contains the proposed objectives, the type of engagement being planned, the type and source of required data, and a methodology for conducting the preliminary analysis. The Assistant Inspector General must approve the survey guide shortly after the date of the entrance conference.

The engagement team should refer to the Quality Assurance Checklist for Attestation Engagement Audits (Enclosure 5) to ensure that all required survey guide steps are included in the survey guide.

General Information

A survey guide should contain the following items:

- Introduction and background (what is the issue, why is it important, what prior work has been done on it);
- Objectives;
- Type of engagement and standards that apply;
- Proposed scope (e.g., what will be examined, what documents or records will be reviewed, what time periods or geographical locations will be covered);
- Proposed methodology (what procedures will be used to gather and analyze the evidence);
- Criteria that will be used;
- Tentative resources needed (audit and technical staff, travel funds, etc.); and
- Estimated milestone dates.

Survey Steps

1. Conduct background research on the subject matter (for example):

- Check the OIG Subnet, Non-audit Services to determine if the OIG has performed a related non-audit service that would impair its independence.
- Review prior audit and engagement findings and recommendations and other studies to determine if they are relevant to the subject matter and if corrective actions have been taken (GAGAS 6.09).
- Consult with an attorney in General Counsel to identify any potential legal issues related to the subject matter.
- Coordinate with the Office of Investigations to identify and acquire information on any current or recently completed investigations related to the subject matter.

2. Identify audit criteria (for example): Review applicable laws, regulations, policies and procedures, contracts, grant agreements, standards, measures, best practices, etc., to identify the criteria that will be used in the engagement.
3. Gather and analyze information (for example):
 - Identify potential sources of information (e.g., documents and records, interviews with company or other officials and questions to be asked, computer-generated databases, surveys, etc.) that can be used as evidence.
 - Determine what type and how much evidence will be needed to address the engagement objectives.
 - Determine what methods (e.g., inquiries, observations, inspection of documents and records, review of auditor reports, direct tests) the team will use to meet requirements under GAGAS 6.10-6.12, 6.13, and 6.14 on internal controls and fraud, illegal acts, violations of contract or grant agreement or abuse.
 - Determine what procedures the team will use to test the reliability of computer-generated data when these data are relevant to the engagement objectives. Identify any risks related to using these data. If the data are deemed unreliable, identify what alternative procedures or data will be used to address the audit objectives.
 - Determine if the team will use the work of other technical specialists (e.g., engineers, economists, computer scientists, etc.) or outside consultants to gain a better understanding of the engagement issues and possible approaches to addressing them.
 - If an outside consultant is being used, ensure that the consultant has signed a Certificate of Independence—Outside Consultant (OIG Policy 2203.2).
4. Document the survey phase (for example):
 - Complete the survey guide portion of the Quality Assurance Checklist (available in the TeamMate library).
 - Ensure supervisory review of audit documentation at the end of the survey phase (prior to the decision meeting).

Chapter 11

Guidelines for Preparing an Audit Program

The following guidelines are intended to help the audit team plan and prepare an Attestation Engagement program. The Assistant Inspector General must approve the audit program shortly after the decision meeting.

The team should refer to the Attestation Quality Assurance Checklist (Enclosure 5 of this policy) to ensure that all required audit steps are included in the audit program. For additional guidance on audit planning, the team should consult GAGAS Chapter 6.

General Information

An audit program should contain the following items:

- Introduction (what is the source – Amtrak, congressional, self-initiated, etc).
- Background (e.g., relevant prior audit or other work done in the subject matter, etc.) (GAGAS 6.09, 6.10-6.13).
- Audit objectives.
- Criteria that will be used to evaluate the subject matter being audited; the criteria should be relevant to the audit objectives.
- Type of attestation and the standards that apply.
- Scope (e.g., what subject matter will be examined, what documents or records will be reviewed, what time periods or geographical locations will be covered).
- Methodology that will be used to examine each objective.
- Resources needed (audit staff, technical or legal assistance, travel funds).
- Estimated milestone dates.

Other Steps

- Determine if prior audit and engagement findings and recommendations are relevant to the objectives and if the recommendations have been resolved or appropriate corrective measures have been taken.
- If computer databases will be used, describe the procedures the team will use to evaluate the computer-generated data when these data are material to the engagement objectives and comply with GAGAS 6.22d. Identify any risks related to using these data. If the data are deemed unreliable, identify what alternative procedures or data will be used to address the audit objectives.

- Describe the methods (e.g., inquiries, observations, inspection of documents and records, review of auditor reports, direct tests) the team will use to gain an understanding of internal controls that are significant within the context of the audit objectives. (See GAGAS 6.10-6.12)
- Determine what methods the team will use to comply with GAGAS 6.13 on fraud, abuse, or violations of laws, regulations, or provisions of contracts or grant agreements that are significant within the context of the audit objectives.
- Consult with an attorney in General Counsel to identify any potential issues related to the subject matter.
- If required, determine the nature and scope of work that will be performed by a technical specialist (e.g., engineers, economists, computer scientists, etc.).
- Consult with the Office of Investigations on investigative issues.
- Determine the nature and scope of any work that will be performed by any outside consultant and how that work will be planned and evaluated.

Analysis Steps

- Identify each engagement objective or agreed upon procedure and the specific questions the team will ask to address each objective.
- Identify the criteria that will be used to address each objective.
- For each objective or question, describe what type of information or evidence (e.g., physical, testimonial, documentary) the team will collect, from what source(s), and by what method(s).
- Describe what methods the team will use to analyze the information or evidence.
- Identify any potential limitations the team may encounter in collecting or analyzing the information.

Chapter 11

Outline Sheet for Identifying the Elements of Each Finding

Project _____ Project No. _____

Finding Sheet No. _____

Internal Control, Fraud, Abuse, Illegal Acts or violation of contract/grant agreement
yes _____ no _____

Summary (Describe problem area and evidence):

Condition (What is occurring):

Criteria (What is required):

Effect (What is the result or impact):

Cause (Why this is occurring):

Recommendation(s) (Corrective action(s) needed):

Prepared by: _____

Date: _____

Approved by: _____

Date: _____

Note: This sheet outlining each element of a finding should be included in the audit documentation. Additional guidance can be found in GAGAS 6.15 through 6.19 and 6.32 through 6.43.

Chapter 11

Quality Assurance Checklist for Attestation Engagements

Project No. _____
Report No. _____
TeamMate _____ Hard-Copy Format _____

Part I: Attest Engagement Planning and Field Work Checklist

(The team may attach additional explanation sheets if it is preparing the checklist for hard-copy format documentation.)

Attestation	Yes (w/preference)	No or N/A and why
Proposal		
1. Was an engagement letter prepared and the AIG's approval documented?		
2. Does the engagement letter document <ul style="list-style-type: none"> - the nature, timing, and extent of testing of the subject matter? - limitations placed on the scope of the review? - the nature of the expected report and level of assurance provided? 		
Survey and Decision Meeting		
3. Was an engagement letter issued? Was an entrance conference held?		
4. Was a survey guide prepared and the AIG's approval documented?		
5. Before engaging an outside consultant, did the engagement team verify and document the consultant's: <ul style="list-style-type: none"> - independence? (See OIG Policy 2202.2, Chapter 2.) - professional competence (ability to perform the work and report results impartially)? 		
6. Does the survey guide include consultation with an attorney in General Counsel on related legal issues?		

Attestation	Yes (w/preference)	No or N/A and why
7. Does the survey guide include coordination with the Office of Investigations on related current or recently completed investigations?		
8. Were all survey steps completed and cross-indexed to the appropriate attestation documentation?		
9. If survey steps were not completed, were explanations provided?		
10. Does the survey documentation show evidence of supervisory review at the completion of the survey phase (prior to the decision meeting)?		
Decision Meeting		
11. Were the results of the decision meeting documented? If the engagement objective(s) or scope were significantly modified, was Amtrak and the requestor formally notified?		
Analysis		
12. Was an engagement program addressing the engagement objectives prepared?		
13. Were the engagement program and any changes approved by the AIG?		
14. Does the engagement program address all announced engagement objectives?		
15. Does the engagement program state the criteria that should be evaluated? Are the criteria relevant to the engagement objectives?		
16. Does the attest documentation show that staff followed up on findings from previous reviews and studies to determine whether appropriate corrective measures had been taken?		

Attestation	Yes (w/preference)	No or N/A and why
17. Does the engagement program include steps to document the auditor's basis for relying on computer-based information systems that are relevant to the objectives I conformance with GAGAS 6.22d?		
18. Does the engagement program include steps to document the understanding of internal controls material to the subject matter or assertion and plan accordingly?		
19. Does the engagement program include steps for complying with GAGAS on fraudulent or illegal acts, violations of contract provisions or grant agreements, or abuse that are significant within the context of the subject matter or assertion?		
20. Does the engagement program include consultation with an attorney in General Counsel on related legal issues?		
21. Were all engagement program steps completed or explanations provided?		
22. If the OIG relied on an outside consultant's work, did staff: -obtain evidence of qualifications? -obtain evidence of independence? -perform supplemental tests? -coordinate the consultant's contributions to the report?		
23. If a mid-course meeting was held, does the attest documentation include evidence of planned actions as a result of the meeting?		

Attestation	Yes (w/preference)	No or N/A and why
24. Were any summaries of findings cross-indexed to the attest documentation?		
25. Were all attest program steps completed and cross-indexed to the appropriate audit documentation?		
26. If attest program steps were not completed, were explanations provided?		
27. Does the attest documentation show evidence of supervisory review (prior to the message meeting)?		
Message Meeting		
28. Were the results of the message meeting documented? If the meeting was waived by the AIG, was the waiver documented?		
29. Does the attest documentation provide evidence that a discovery of fraudulent or illegal acts, violations of contract or grant agreement provisions, or abuse was reported to the AIGs for Audits and Investigations?		

Part II: Engagement Reporting Checklist

Attestation	Yes (w/preference)	No or N/a and Why
Draft Report		
30. Are the engagement objectives clearly stated and answered?		
31. Does the draft report clearly identify: - the subject matter or assertion? - the nature and scope of the work performed? - the audit conclusions in relation to the criteria against which the subject matter was evaluated?		
32. Does the draft report provide all significant reservations about the engagement, subject matter, and assertion (if applicable)?		
33. Does the draft report identify all significant internal control deficiencies, fraudulent or illegal acts, violations of contract or grant agreement provisions, or abuse, if related to the subject matter or assertion?		
34. Does the draft report clearly develop the elements of each finding? Condition Criteria Cause Effect		
35. If appropriate, did the auditor document the communication of inconsequential findings to Amtrak management, either verbally or in writing? Does the attest documentation reference the communication?		

Attestation	Yes (w/preference)	No or N/A and why
36. Does the report contain a reference to the standards (e.g., GAGAS, AICPA) governing the engagement?		
37. If certain engagement standards were not followed, does the attest documentation clearly explain the reason and the impact and potential impact on the engagement?		
38. Was the draft report cross-indexed to the attest documentation?		
39. Does the attest documentation indicate that supervisory review was completed before independent referencing began?		
40. Was the draft report independently referenced before it was forwarded to Amtrak?		
41. Does the audit documentation show that all independent referencer's notes were cleared before the draft report was forwarded to Amtrak?		
42. If a discussion draft went to Amtrak prior to the exit conference, did the AIG approve the discussion draft?		
43. Was the draft report cleared and signed by the appropriate audit management officials before it was forwarded to Amtrak?		
44. Does the draft report or transmittal memorandum request that Amtrak respond to each recommendation, including actions taken or planned and estimated completion dates for implementation?		

Attestation	Yes (w/preference)	No or N/A and why
45. Are the recommendations properly addressed to the person(s) responsible for implementing corrective action?		
46. Are the criteria used to measure and present the subject matter included in the report?		
47. If the criteria used to evaluate the subject matter are appropriate for or available to a limited number of parties, is the report marked as restricted and distributed only to those parties who have access to the criteria?		
48. Is the report protected because it contains information that is proprietary or confidential in nature? (See OIG Policy 2209.2, Chapter 9)		
49. If confidential or proprietary information was deleted, does the draft report state the nature of the information and the reason for its omission? (See OIG Policy 2209.2, Chapter 9)		
Final Report		
50. Was the final report cross-indexed to the attest documentation?		
51. Was the final report independently referenced before it was issued?		
52. Does the attest documentation indicate that all independent referencer's notes were cleared before the final report was issued?		
53. Does the final report reflect Amtrak's response and note any OIG exceptions to the response?		

Attestation	Yes (w/preference)	No or N/A and why
54. If the final report includes information of a proprietary confidential or sensitive nature, does it contain appropriate protective markings? (See OIG Policy 2209.2, Chapter 9.)		
55. Does the publicly accessible electronic version of the report comply with Section 508 of the Rehabilitation Act of 1973, as amended? (See OIG Policy 2209.2, Chapter 9.)		
56. Does the report provide for issuance and distribution to the proper officials? (See OIG Policy 2209.2, Chapter 9.)		
Communication with the Company		
57. Does the attest documentation include evidence of communication with the auditee or requestor? Entrance Conference Discussions/Meetings Exit Conference		

Checklist was prepared by:

Print Name	Signature	Date
------------	-----------	------

For the draft report, the checklist was reviewed by:

Print Name	Senior Director Signature	Date
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For the final report, the checklist was reviewed by:

Print Name	Senior Director Signature	Date
------------	---------------------------	------

Date of Draft _____ Date of Final _____



NATIONAL RAILROAD PASSENGER CORPORATION
Office of Inspector General
10 G Street N.E., Suite 3W-300
Washington DC 20002

POLICY NUMBER 2212.1
OIG (Audit)
July 28, 2010

Subject: AUDIT AND EVALUATION MANUAL: CHAPTER 12 – TESTIMONY SERVICES

Reference: (a) Government Accountability Office's *Government Auditing Standards, July 2007 Revision*
(b) OIG Policy 1420.1 (Office of Inspector General Testimony Services)

1. PURPOSE. This chapter establishes policy and procedures used by the Office of the Inspector General (OIG) for preparing testimony for congressional hearings. The guidance in this chapter conforms to Reference (a), the Government Accountability Office's (GAO) *Government Auditing Standards, July 2007 Revision* and Reference (b), OIG Policy 1420.1 – OIG Testimony Services.
2. CANCELLATION. This policy supersedes the OIG Audit Procedures Manual of September 17, 2007 (All references on preparing testimony for Congressional hearings). Once all chapters contained in the Audit and Evaluation Manual are published, the OIG Audit Procedures Manual of September 17, 2007 will be canceled in its entirety.
3. APPLICABILITY AND SCOPE. All audit and evaluation staff members are required to follow these procedures in preparing congressional testimony work products.
4. POLICY. Staff members prepare testimony at the request of Congress on the basis of completed, on-going, or other audit or evaluation work. Whenever possible, OIG testimony should be prepared in accordance with generally accepted government auditing standards (GAGAS) for performance audits (see chapters 5 through 10) or attestation engagements (Chapter 11). If GAGAS compliance is not possible, OIG staff must ensure that the testimony is based on supporting documentation that has undergone supervisory review and independent referencing. If GAGAS is not cited in the testimony report, OIG staff members must complete the "best practices" guide, Enclosure (1) of Reference (b), and include it in the testimony documentation file.
5. PROCEDURES. Reference (b) provides procedures for developing testimony, formatting a testimony report and using the "Best Practices Guide."

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NATIONAL RAILROAD PASSENGER CORPORATION
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POLICY NUMBER 2214.2
OIG (Audit)
February 2, 2011

Subject: AUDIT AND EVALUATION MANUAL: CHAPTER 14 – QUALITY ASSURANCE
REVIEWS

Reference: (a) Government Accountability Office's *Government Auditing Standards, July 2007 Revision*

1. PURPOSE. This chapter establishes policy and procedures for conducting internal quality assurance reviews of the Office of Inspector General's (OIG) Offices of Audit and Inspections and Evaluations (I&E) to provide reasonable assurance that audits and evaluations are being conducted in accordance with Amtrak OIG policies and procedures, and meet requirements of Reference (a), the Government Accountability Office's (GAO) *Government Auditing Standards, July 2007 Revision*. This chapter also establishes policy and procedures for complying with the generally accepted government auditing standards (GAGAS) requirement for obtaining an external peer review.

2. CANCELLATION. This policy supersedes OIG Policy 2214.1 of July 22, 2010.

3. APPLICABILITY AND SCOPE. These requirements apply to all Amtrak OIG staff that perform audits and evaluations in accordance with GAGAS.

4. REFERENCES

a. GAO *Government Auditing Standards, July 2007 Revision* require that:

(1) Each audit organization performing audits or attestation engagements in accordance with GAGAS must establish a system of quality control that is designed to provide the audit organization with reasonable assurance that the organization and its personnel comply with professional standards and applicable legal and regulatory requirements, and have an external peer review at least once every 3 years. (Paragraph 3.5)

(2) Each audit organization must document its quality control policies and procedures and communicate those policies and procedures to its personnel. The audit organization should document compliance with its quality control policies and procedures and maintain such documentation for a period of time sufficient to enable those performing monitoring procedures and peer reviews to evaluate the extent of the audit organization's compliance with its quality control policies and procedures. (Paragraph 3.52)

(3) An ongoing, periodic assessment of work completed on audits and attestation engagements designed to provide management of the audit organization with reasonable assurance that the policies and procedures related to the system of quality control are suitably designed and operating effectively in practice. The purpose of monitoring compliance with

quality control policies and procedures is to provide an evaluation of (1) adherence to professional standards and legal and regulatory requirements, (2) whether the quality control system has been appropriately designed, and (3) whether quality control policies and procedures are operating effectively and complied with in practice. Individuals performing monitoring should collectively have sufficient expertise and authority for this role. (Paragraph 3.53f)

(4) The audit organization should analyze and summarize the results of its monitoring procedures at least annually, with identification of any systemic issues needing improvement, along with recommendations for corrective action. (Paragraph 3.54)

b. The Council of the Inspectors General on Integrity and Efficiency (CIGIE), under its Audit committee, issues a Guide for Conducting External Peer Reviews of the Audit Organizations of the Federal Offices of Inspector General. This guide contains a policy statement and guidelines and checklists for conducting reviews of audit organizations and the different types of audits – financial, attestation, and performance.

5. POLICY. The quality of work performed in the OIG significantly affects our credibility and effectiveness in performing oversight of Amtrak. Therefore the OIG must implement and follow policies, procedures, and internal quality controls that assure compliance with prescribed laws and professional standards. The internal quality assurance review process provides the structure to review and document adherence to laws and professional standards and to identify and make recommendations where improvements are needed.

a. Each group within the OIG Audits and I&E offices shall undergo an internal quality assurance review once every 3 years.

b. The Amtrak OIG will undergo an external peer review conducted, by an OIG that is a CIGIE member, at least once every 3 years.

6. PROCEDURES

a. Internal Quality Assurance Process. The following procedures should be used by the Quality Assurance (QA) and Internal Affairs Director in conducting periodic reviews of audits, evaluations, and related GAGAS activities performed by the Audits and I&E offices. The director will:

(1) maintain a schedule of internal quality assurance reviews that will assure that every audit and evaluation group performing work in accordance with GAGAS receives an internal review at least once every 36 months;

(2) notify the selected office no more than 1 week prior to the start of the review. The director will hold an entrance conference with the responsible senior director to discuss the review objective, scope, methodology, and time frame;

(3) closely adhere to the Guide for Conducting External Peer Reviews of Audit Organizations of the Federal OIGs (current version March 2009) in conducting the review. The

director may at his/her discretion or at the direction of the Deputy Inspector General (DIG) supplement the guide with additional steps to address other issues affecting the units operations;

(4) select all or a sample from all issued audit or evaluation reports and testimonies that cited GAGAS for its review;

(5) review work paper documents and interview staff as needed. The director shall also document his/her work and obtain sufficient evidence to support his/her findings and recommendations. Any highly significant or sensitive issues identified during the review will be brought to the DIG's attention immediately;

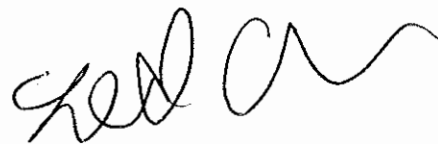
(6) conduct an exit conference with the office under review and provide them with a written discussion draft report of their findings to obtain comments prior to formalizing the draft report. A draft report signed by the QA and Internal Affairs Director will be provided to the responsible assistant inspector general (AIG) who will respond with written comments within 15 working days;

(7) issue a final report to the DIG and include the respective AIG's comments including an action plan to implement recommendations; and

(8) retain and make available to the external peer review team all work papers and reports.

b. Annual Internal Quality Assurance Summary. At the end of fiscal year (FY) 2010, and subsequent years thereafter, the QA and Internal Affairs Director will arrange for the preparation of an annual summary of the results of the internal quality assurance reviews. The summary will identify any systemic issues needing improvement and recommendations for corrective actions. It will also provide an update on recommendations made in prior annual summaries report and the status of actions taken.

c. External Peer Review. Working through the CIGIE Audit Committee, the QA and Internal Affairs Director will arrange for an external peer review of the Audit and I&E offices at least once every 3 years. The QA and Internal Affairs Director will serve as the coordinator/liaison with the external peer review OIG.



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POLICY NUMBER 2215.2

OIG (Audit)

February 2, 2011

Subject: AUDIT AND EVALUATION MANUAL: CHAPTER 15 - PROFESSIONAL DEVELOPMENT AND TRAINING

References: (a) Government Accountability Office's *Government Auditing Standards, July 2007 Revision*

(b) OIG Policy 2201 (Chapter 1 – Introduction and Professional Standards)

Enclosure: (1) OIG Individual Development Plan

1. PURPOSE. This chapter establishes policy and procedures for ensuring that professional employees of the Office of Inspector General's (OIG) Audit and Inspections and Evaluations (I&E) offices meet the continuing professional education (CPE) requirements prescribed in Reference (a), the Government Accountability Office's (GAO) *Government Auditing Standards, July 2007 Revision* (paragraphs 3.46 through 3.49).

2. CANCELLATION. This policy supersedes OIG Policy 2215.1 of September 30, 2010 in its entirety.

3. APPLICABILITY. These requirements apply to all OIG audits and evaluations that cite generally accepted government auditing standards (GAGAS).

4. POLICY. It is OIG policy that all audit and evaluation professional staff members (referred to as auditors and evaluators in this chapter) conducting work in accordance with GAGAS meet the CPE requirements prescribed by GAGAS. In addition, the assistant inspector generals (AIGs) for Audit and I&E will record the completion of training in a system of records to ensure that auditors and evaluators meet those continuing professional education requirements. This system of records will be available for use by the external peer review team every 3 years.

5. CONTINUING PROFESSIONAL EDUCATION (CPE)

a. GAGAS 3.46. Auditors and evaluators performing work under GAGAS, including planning, directing, performing audit procedures, or reporting on an audit, attestation engagement, or evaluation under GAGAS, should maintain their professional competence through CPE. Therefore, auditors and evaluators performing work under GAGAS should complete, every 2 years, at least 24 hours of CPE that directly relates to government auditing, the government environment, or the specific or unique environment in which the audited entity operates. Auditors and evaluators who are involved in any amount of planning, directing, or reporting on GAGAS assignments should also obtain at least an additional 56 hours of CPE (for a total of 80 hours of CPE in every 2-year period) that enhances the auditor's/evaluator's professional proficiency to perform audits, attestation engagements or evaluations. Staff required to take at least the total 80 hours of CPE should complete at least 20 hours of CPE in each year of the 2-year period.

b. GAGAS 3.47. CPE programs are structured educational activities with learning objectives designed to maintain or enhance participants' knowledge, skills, and abilities (KSAs) in areas applicable to performing audits, attestation engagements or evaluations. Determining what subjects are appropriate for individual participants to satisfy the 80-hour and 24-hour requirements is a matter of professional judgment to be exercised by staff in consultation with appropriate officials in their audit organization.

c. GAGAS 3.48. Meeting the CPE requirements are primarily the responsibilities of individual auditors and evaluators. The audit organization should have quality control procedures to help ensure that staff meet the requirements including documentation of the CPE completed. GAO has developed guidance pertaining to CPE requirements to assist auditors, evaluators, and audit organizations in exercising professional judgment in complying with the CPE requirements. The guidance "*Government Auditing Standards: Guidance on GAGAS Requirements for Continuing Professional Education*" (April 2005) is posted on the OIG Secure Subnet.

d. Requirements for External Specialists. External specialist assisting in performing a GAGAS assignment should be qualified and maintain professional competence in their area of specialization but are not required to meet GAGAS CPE requirements.

e. Internal specialists who are part of the audit organization, and who are performing work under GAGAS as part of the audit or evaluation team, including planning, directing, performing audit/evaluation procedures, or reporting, should comply with the GAGAS CPE requirements. Internal specialist consulting on a GAGAS engagement who are not involved in planning, directing, performing audit or evaluation procedures or reporting on a GAGAS engagement, are not required to meet GAGAS CPE requirements.

6. TRAINING CYCLE. The current 2-year cycle ends on September 30, 2010. For the new cycle, each auditor and evaluator should discuss his or her training needs with their supervisor, using the core curriculum, maintained by Management and Policy (M&P) as a starting point. Staff may seek other training opportunities that will develop their knowledge, skills, and abilities including colleges and universities, professional organizations, and other vendors. Auditors and evaluators hired or assigned to an audit, attestation engagement or evaluation after the start of OIG's 2-year CPE period must complete a prorated number of CPE hours as shown in the table below.

Number of Full 6-Month Intervals Remaining	Minimum CPE Requirement
0 (0 to 6 months)	0 CPEs
1 (6 to 11 months)	20 CPEs
2 (12 to 17 months)	40 CPEs
3 (18 to 24 months)	60 CPEs
4 (more than 24 months)	80 CPEs

For example, the current 2-year CPE period begins on October 1, 2010 and runs through September 30, 2012. A new auditor/evaluator who was hired and assigned to a GAGAS assignment on March 20, 2011 would calculate the prorated CPE requirement as follows:

1. Number of full 6-month intervals remaining in the CPE period: 3
2. Number of 6-month intervals in the full 2-year period: 4
3. Newly assigned auditor's CPE requirement: $\frac{3}{4} \times 80 = 60$ hours

Auditors and evaluators who have not earned the required number of CPE credits by the end of the period will have a 2-month grace period to make up the deficiency. Any CPE credits earned during the two-month period to meet the deficiency may not be counted toward the hours needed for the following year.

7. RESPONSIBILITIES

a. Individual auditors/evaluators bear primary responsibility for improving their own competencies and meeting CPE requirements. Members of the audit and evaluation staff will:

(1) conduct a self-assessment of his/her performance and training needs to determine what skills he/she needs to develop;

(2) prepare a draft individual development plan (IDP) identifying training courses that the employee believes will enhance his/her abilities;

(3) meet with his/her supervisor to discuss the draft IDP and to reach agreement on the training needed during the 2-year period; and

(4) implement the approved IDP by submitting training requests and attending educational events. Submit documentation that training was accomplished to the supervisor and the AIG for M&P.

b. Supervisors and Managers will:

(1) develop and discuss relevant performance goals and objectives with each employee;

(2) suggest relevant training to help improve employee performance;

(3) ensure that an accurate IDP is prepared including appropriate and sufficient CPE hours and cost information. Provide a copy of each employee's IDP to the AIG for Audit or I&E for approval, who will forward the approved IDPs or schedule of approved training and costs listed in the IDPs to the AIG for M&P for budgetary purposes; and

(4) monitor accomplishment of each assigned employee's training plan.

c. The AIG for M&P will:

(1) keep the staff informed of updates or changes in OIG policies;

- (2) develop and maintain a tracking system for continuing professional education hours;
- (3) maintain the documentation or training certificates for completed training; and
- (4) update the core curriculum on a periodic basis.

8. PROCEDURES. The IDP is required annually of all non-supervisory and supervisory OIG personnel and is the basic instrument of communication with management concerning professional goals and needs for further training, Enclosure (1), OIG Individual Development Plan.

a. Structure. The IDP has two major purposes as described below:

- (1) Short- and long-term professional development goals.
- (2) Training needed or suggested to meet:
 - (a) mandatory requirements (e.g. ethics, standards of conduct, information technology security, law enforcement);
 - (b) performance appraisal and professional development goals, if applicable;
 - (c) OIG-wide and occupational mastery core competencies, if applicable; and
 - (d) leadership development needs, if applicable.

b. Completion

(1) Step 1 - Employee Assessment. The employee should conduct a self-assessment of the degree to which he/she satisfies the requirements of each identified core competency. These may be determined by reviewing current and prior job performance, training, and education. Next, the employee determines what KSAs he/she still needs to develop in order to master each core competency. Finally, the employee should also identify needs to improve job performance that are not specifically tied to a core competency (core competencies for a position will be developed jointly by the employee's supervisor and the OIG Human Resources).

(2) Step 2 - Prepare a Proposed IDP. Employees should prepare a proposed IDP as follows:

- (a) The employee should open an electronic blank copy of the Amtrak-OIG IDP document located on the OIG Secure Subnet.
- (b) The employee should attempt to identify training courses that could be undertaken to accomplish each developmental objective.
- (c) Each proposed training course should include the target dates, and estimated cost. Both internal and external training sources should be considered.

(3) Step 3 - Meet with Supervisor. Soon after the employee prepares a proposed IDP, he/she should meet with the supervisor to obtain approval.

(a) The objective of the meeting is to discuss the proposed IDP and to achieve mutual commitment regarding the proposed objectives, activities, costs, and time commitments.

(b) Upon reviewing the employee's proposed IDP, the supervisor may make further recommendations as to appropriate training courses that the employee should undertake. In some instances, the employee's desired developmental activity or requested training course may not be feasible. In such a case, the supervisor should discuss with the employee the reasons and recommend alternatives.

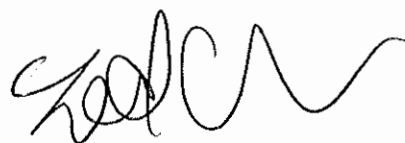
(c) Once the content of the proposed IDP has been approved by the supervisor, both the supervisor and employee should sign the IDP form indicating support of the plan and submit to their AIG for approval.

(4) Step 4. Implementation and Follow-up

(a) The employee implements the IDP upon its final approval, by submitting training requests, actively participating in activities, and consulting the supervisor on any changes to the approved IDP.

(b) Because it is a living document, the IDP should be reviewed by both employee and supervisor no less than twice yearly: at mid-term and annual performance appraisal discussions. Changes in work assignments, resources, technology, and work environment may make it necessary to adjust the IDP.

(c) The IDP should be updated each year after the supervisor completes the employee's performance appraisal.



THEODORE P. ALVES
Inspector General

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POLICY NUMBER 2216.1
OIG (Audit)
September 30, 2010

**Subject: AUDIT AND EVALUATION MANUAL: CHAPTER 16 - PROJECT AND
RECOMMENDATION TRACKING**

References: (a) The Inspector General Act, as amended
(b) OIG Policy 2205.1 – Chapter 5: Audit and Evaluation Process
(c) OIG Policy 2211.1 – Chapter 11: Attestation Engagements

Enclosures: (1) Excerpts from the Inspector General Act, as amended
(2) Project Information Database Instructions
(3) Instructions for the Recommendation Data base

1. PURPOSE. This chapter establishes policy and procedures for tracking audit and evaluation projects and tracking and following-up on recommendations issued by the Office of Inspector General (OIG) in audit, evaluation, and investigative reports. The guidance in this chapter conforms to Reference (a), the Inspector General Act, as amended. Excerpts from the Act on definitions and semiannual report (SAR) requirements are contained in Enclosure (1).

2. CANCELLATION. This policy supersedes the OIG Audit Procedures Manual of September 17, 2007 (Section II-15, II-16, and II-17 on project, finding and recoveries tracking). Once all chapters contained in the Audit and Evaluation (A&E) Manual are published, the OIG Audit Procedures Manual of September 17, 2007 will be canceled in its entirety.

3. APPLICABILITY. These requirements apply to all audit and evaluation projects and to all reports issued by the Amtrak OIG that contain recommendations.

4. POLICY

a. The Amtrak OIG's goal is to issue timely audit and evaluation reports of high quality in compliance with standards. To facilitate the accomplishment of that goal, each audit and evaluation project will: (1) follow the OIG A&E process as established in Reference (b) – Chapter 5 (Audit and Evaluation Process) and Reference (c) - Chapter 11 (Attestation Engagements), and (2) document and monitor planned and actual milestones in accordance with that process. A project information access database has been established for tracking audit and evaluation milestones.

b. The OIG will comply with the requirements in the IG Act to track and report on audit, evaluation and inspection reports and recommendations including information on the number of reports issued, total dollars questioned (including unsupported costs), and funds put to better use, and the status of actions taken on these recommendations. To help foster improvements in Amtrak management, the OIG will also track the status of actions taken on recommendations made in reports issued by the Office of Investigations.

5. PROCEDURES

a. Project Management

(1) All audit and evaluation projects will follow the instructions provided in Enclosure (2) on entering project information and milestones into the Project Information access data base.

(2) Only Inspections and Investigations reports with recommendations will be required to follow the instructions contained in Enclosure (2).

(3) The Assistant Inspector General (AIG) for Management and Policy (M&P) will maintain the Project Information database.

(4) The cognizant AIG is responsible for ensuring that their project teams maintain accurate and up to date information in the Project Information database.

b. Recommendation Tracking and Reporting

(1) All recommendations issued to Amtrak will be tracked in a recommendation access data base and their status monitored until final action has been taken and the recommendation is closed. The respective AIG of a group that issues the audit, evaluation, inspection or investigative report is responsible for monitoring the status of open recommendations and working with Amtrak management to ensure that recommendations are implemented and closed in a timely manner. The respective AIG may designate a staff member to undertake this responsibility.

(2) For audit, evaluation and inspection reports, the reporting and tracking of recommendations will follow the requirements of the IG Act, as amended. Please see Enclosure (1) for additional details on the information to be reported in the SAR and the definitions used.

(a) Issuance of Final Reports. The OIG shall indicate in the final report for each audit, evaluation and inspection, which recommendations still require a management decision. For those recommendations where a management decision has been made, the final report will contain the agreed-upon action and timeframe for implementation. If management has not made a decision to accept the recommendations or a more detailed response is needed, a formal response shall be requested in the report and will normally be due within 60 days of issuance of the final report.

(b) Reviewing Responses to Final Reports. The OIG shall review Amtrak's management responses to recommendations in final reports and will work with management to resolve any differences or nonconcurrence. The OIG should complete action on management's response during a 30-day period following receipt of the response.

(c) Recommendations for Which an Amtrak Management Decision Has Been Made. The respective AIG or designated staff member will monitor the status of agreed-upon actions and target action dates that Amtrak has concurred with in the final report. Through bi-monthly reports discussed in paragraph 5b(2)(e) below, the Amtrak audit liaison will be alerted to

approaching agreed to target dates for completion of corrective actions to fully remedy or satisfy the recommendation. The responsible AIG will review Amtrak's actions and provide a response to Amtrak within 30 days. If Amtrak does not meet the target action date, the Amtrak audit liaison, in coordination with Amtrak management, will provide a new date. The responsible AIG or designated staff member will ensure that the appropriate information (new target action date, commitment date, and closure date) is promptly entered into the access database.

(d) Recommendations for Which an Amtrak Management Decision Has Not Been Made (open recommendations). The respective AIG or designated staff member will monitor the status of recommendations on which Amtrak has not yet made a decision or that require a more detailed response. Amtrak must provide a written formal response to the OIG on open or unresolved recommendations after the final report is issued. Responsible AIG or designated staff member will notify the audit liaison to remind them about the response deadline as requested in the final report. The responsible AIG will review Amtrak's formal response and provide a reply within 30 days. If there are any differences or failure to respond, the responsible AIG will work with Amtrak's management to resolve them. The responsible AIG or designated staff member will ensure that the appropriate information (new target action date, commitment date, and closure date) is promptly entered into the access database.

(e) Maintaining and Sharing Recommendation Data. The AIG for M&P will maintain a database of all recommendations. The AIG for M&P will provide the Amtrak audit liaison with bimonthly status reports listing all audit, evaluation and inspection reports with open recommendations that require management decision or final action. This information will also be reported in the OIG's Semiannual Report to Congress.

(f) Reports with Recommendations to Recover Costs or Funds Put to Better Use. It is important that the OIG accurately reports in the SARs the amount of funds disallowed (from questioned and unsupported costs) and the amount of funds put to better use agreed to by Amtrak. Care should be taken to ensure that these values as reported in the SAR are appropriately documented in an Amtrak response to a draft or final report or other document. In regard to pre-award audits of contracts, the OIG should request that it will be notified within 60 days following contract award of the actions taken on the report recommendations including the amount of contract cost reduction attributable to the audit report recommendations.

(g) Enclosure (3) contains instructions on entering data into the Recommendation database.

(h) The project team should maintain documentation in Teammate or the hard copy files on additional Amtrak responses on actions taken and requests for revised target dates.

(3) For investigative reports with recommendations to Amtrak management, the reporting and tracking of recommendations will follow the instructions contained in enclosures (2) and (3).

OIG 2216.1
September 30, 2010

A handwritten signature in black ink, consisting of a stylized 'T' followed by a series of loops and a long horizontal stroke.

THEODORE P. ALVES
Inspector General

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Chapter 16

Excerpts from Inspector General Act, as amended

§ 5. Semiannual reports; transmittal to Congress; availability to public; immediate report on serious or flagrant problems

(a) Each Inspector General shall, not later than April 30 and October 31 of each year, prepare semiannual reports summarizing the activities of the Office during the immediately preceding six-month periods ending March 31 and September 30. Such reports shall include, but need not be limited to--

- (1) A description of significant problems, abuses, and deficiencies relating to the administration of programs and operations of such establishment disclosed by such activities during the reporting period;
- (2) A description of the recommendations for corrective action made by the Office during the reporting period with respect to significant problems, abuses, or deficiencies identified pursuant to paragraph (1);
- (3) An identification of each significant recommendation described in previous semiannual reports on which corrective action has not been completed;
- (4) a summary of matters referred to prosecutive authorities and the prosecutions and convictions which have resulted;
- (5) a summary of each report made to the head of the establishment under section 6(b)(2) during the reporting period;
- (6) a listing, subdivided according to subject matter, of each audit report, inspection reports [report], and evaluation reports [report] issued by the Office during the reporting period and for each report, where applicable, the total dollar value of questioned costs (including a separate category for the dollar value of unsupported costs) and the dollar value of recommendations that funds be put to better use;
- (7) a summary of each particularly significant report;
- (8) statistical tables showing the total number of audit reports, inspection reports, and evaluation reports and the total dollar value of questioned costs (including a separate category for the dollar value of unsupported costs), for reports--
 - (A) for which no management decision had been made by the commencement of the reporting period;
 - (B) which were issued during the reporting period;

(C) for which a management decision was made during the reporting period, including—

(i) the dollar value of disallowed costs; and

(ii) the dollar value of costs not disallowed; and

(D) for which no management decision has been made by the end of the reporting period;

(9) statistical tables showing the total number of audit reports, inspection reports, and evaluation reports and the dollar value of recommendations that funds be put to better use by management, for reports—

(A) for which no management decision had been made by the commencement of the reporting period;

(B) which were issued during the reporting period;

(C) for which a management decision was made during the reporting period, including—

(i) the dollar value of recommendations that were agreed to by management; and

(ii) the dollar value of recommendations that were not agreed to by management; and

(D) for which no management decision has been made by the end of the reporting period.

(10) a summary of each audit report, inspection reports [report], and evaluation reports [report] issued before the commencement of the reporting period for which no management decision has been made by the end of the reporting period (including the date and title of each such report), an explanation of the reasons such management decision has not been made, and a statement concerning the desired timetable for achieving a management decision on each such report;

(11) a description and explanation of the reasons for any significant revised management decision made during the reporting period;

(12) information concerning any significant management decision with which the Inspector General is in disagreement; and

(13) the information described under section 05(b) of the Federal Financial Management Improvement Act of 1996.

(b) Semiannual reports of each Inspector General shall be furnished to the head of the establishment involved not later than April 30 and October 31 of each year and shall be transmitted by such head to the appropriate committees or sub-committees of the Congress within thirty days after receipt of the report, together with a report by the head of the establishment containing

- (1) any comments such head determines appropriate;
- (2) statistical tables showing the total number of audit reports, inspection reports, and evaluation reports and the dollar value of disallowed costs, for audit reports--
 - (A) for which final action had not been taken by the commencement of the reporting period;
 - (B) on which management decisions were made during the reporting period;
 - (C) for which final action was taken during the reporting period, including--
 - (i) the dollar value of disallowed costs that were recovered by management through collection, offset, property in lieu of cash, or otherwise; and
 - (ii) the dollar value of disallowed costs that were written off by management; and
 - (D) for which no final action has been taken by the end of the reporting period;
- (3) statistical tables showing the total number of audit reports, inspection reports, and evaluation reports and the dollar value of recommendations that funds be put to better use by management agreed to in a management decision, for audit reports--
 - (A) for which final action had not been taken by the commencement of the reporting period;
 - (B) on which management decisions were made during the reporting period;
 - (C) for which final action was taken during the reporting period, including--
 - (i) the dollar value of recommendations that were actually completed; and
 - (ii) the dollar value of recommendations that management has subsequently concluded should not or could not be implemented or completed; and
 - (D) for which no final action has been taken by the end of the reporting period; and

(4) a statement with respect to audit reports on which management decisions have been made but final action has not been taken, other than audit reports on which a management decision was made within the preceding year, containing--

- (A) a list of such audit reports and the date each such report was issued;
- (B) the dollar value of disallowed costs for each report;
- (C) the dollar value of recommendations that funds be put to better use agreed to by management for each report; and
- (D) an explanation of the reasons final action has not been taken with respect to each such audit report, except that such statement may exclude such audit reports that are under formal administrative or judicial appeal or upon which management of an establishment has agreed to pursue a legislative solution, but shall identify the number of reports in each category so excluded.

(c) As used in this section

(1) the term "questioned cost" means a cost that is questioned by the Office because of--

- (A) an alleged violation of a provision of a law, regulation, contract, grant, cooperative agreement, or other agreement or document governing the expenditure of funds;
- (B) a finding that, at the time of the audit, such cost is not supported by adequate documentation; or
- (C) a finding that the expenditure of funds for the intended purpose is unnecessary or unreasonable;

(2) the term "unsupported cost" means a cost that is questioned by the Office because the Office found that, at the time of the audit, such cost is not supported by adequate documentation;

(3) the term "disallowed cost" means a questioned cost that management, in a management decision, has sustained or agreed should not be charged to the Government;

(4) the term "recommendation that funds be put to better use" means a recommendation by the Office that funds could be used more efficiently if management of an establishment took actions to implement and complete the recommendation, including--

- (A) reductions in outlays;
- (B) deobligation of funds from programs or operations;

(C) withdrawal of interest subsidy costs on loans or loan guarantees, insurance, or bonds;

(D) costs not incurred by implementing recommended improvements related to the operations of the establishment, a contractor or grantee;

(E) avoidance of unnecessary expenditures noted in pre-award reviews of contract or grant agreements; or

(F) any other savings which are specifically identified;

(5) the term "management decision" means the evaluation by the management of an establishment of the findings and recommendations included in an audit report and the issuance of a final decision by management concerning its response to such findings and recommendations, including actions concluded to be necessary; and

(6) the term "final action" means--

(A) the completion of all actions that the management of an establishment has concluded, in its management decision, are necessary with respect to the findings and recommendations included in an audit report; and

(B) in the event that the management of an establishment concludes no action is necessary, final action occurs when a management decision has been made.

Chapter 16

Project Information Database Instructions

This form is to be completed and entered in to the Access data base

1. For Audits and Evaluations enter this form following approval of the project initiation package by the responsible AIG.
2. For Investigations, enter this form once a draft management implication report with recommendations is approved by the AIG for Investigations.
3. For Testimonies and Inspections, enter this form once the IG has approved the testimony or inspections report.

Project number:

1. For audit and evaluations, obtain next number from the project log.
2. For investigations, use the existing case number.
3. For all others, use a number system of the Fiscal Year-consecutive three digits. For example 2012-001, 2012-002, and so forth.

Project type: Enter the number for the project type from the following menu.

1. Performance Audit
2. Attestation Engagement
3. Financial Audit
4. Evaluation (GAGAS)
5. Evaluation (non-GAGAS)
6. Testimony (GAGAS)
7. Testimony (non GAGAS)
8. Investigation- Employee Integrity
9. Investigation- Program Integrity
10. Inspection

Project title: Enter project name.

Responsible Office: Enter responsible OIG office group and location information. For example Audits- Philadelphia, Evaluations-DC, Investigations- New York

Responsible OIG Official: Enter Senior Director Audit, Chief Inspections and Evaluations, or Supervisory Special Agent name.

Project Status: Select the appropriate number from the following menu. Update the status as appropriate.

1. Planned (approved project but entrance conference has not been held)
2. Active – (from entrance conference through draft report and Amtrak Response.)
3. Final issued, or
4. Cancelled or terminated.

Enclosure (2)

Project dates: See instructions below.

1. Start date
2. Survey end date
3. Decision meeting
4. Verification end date
5. Message meeting
6. Draft report
7. Management response date
8. Final report date

For all audits and evaluations (project types 1 through 5 above), the planned dates for survey end and decision meeting must be entered when the start date is entered. Once the decision meeting actual date is entered, the planned dates for verification end, message meeting and draft report must be entered. Once the actual date for the message meeting is held, planned dates for the draft report, Management response and the final report must be entered. (See Chapter 5 (Audit and Evaluation Process) and Chapter 11 (Attestation Engagements) for additional information on the audit and evaluation process.)

For testimony, the dates entered are limited to the actual start and actual final report dates.

For all other types of projects, only the planned and actual dates for the draft report, management comments and final report will be used.

Chapter 16

Instructions for the Recommendation Data base

This form is to be completed and entered in to the Access data base

1. For Audits, Evaluations and Inspections enter this form following signature of the final report.
2. For Investigations, enter this form following signature of the final report.

Note: There will be an entry for each report recommendation.

Project number/case number: enter the appropriate number

Report number: enter the appropriate number

Type of report: Select the appropriate number for the type of report issued.

1. Audit
2. Evaluation
3. Inspection
4. Investigation
5. Testimony

Report title: Enter the title as it appears on the final report cover.

Report issue date: Enter the report date from the cover of the report.

Project sub type: Select the appropriate number of the type of project.

1. Performance audit
2. Attestation engagement
3. Financial audit
4. Evaluation (GAGAS)
5. Evaluation (non-GAGAS)
6. Inspection
7. Investigations
8. Testimony

Responsible OIG Office: Enter responsible OIG office group and location information. For example Audits- Philadelphia, Evaluations-DC, Investigations- New York

Responsible Amtrak Office/Official: Enter the Amtrak Office that is responsible for implementing the recommendation

Finding summary: Enter in narrative form a short summary of the finding.

Recommendation number: Enter the recommendation number. This is done by assigning 2 digits to each recommendation. The first digit is an alpha character and represents the finding. The first finding would be A, the second finding would be B and so forth. The recommendations will be consecutively numbered. For example if there are two recommendations in finding A and three in finding B, they would be entered as A1, A2, B1, B2, and B3.

Recommendation type: Select the appropriate number from the listing below.

1. Questioned costs
2. Unsupported costs
3. Funds put to better use
4. Pre-award savings
5. Audit & Evaluation procedural recommendation (addressing management controls, processes, and procedures – a recommendation that does not have readily identifiable cost savings)
6. Administrative action (investigations only)

Recommendation from report: Enter the exact recommendation wording from the report.

Management Response summary: Enter in narrative form a short summary of the actions proposed by Amtrak in response to the recommendation.

Recommendation status: Select from the following menu the number representing the status of the recommendation.

1. No management response received
2. Management response received- in process (to account for the negotiation process)
3. Management decision - action not yet complete
4. Management decision- action complete- recommendation closed
5. Management decision to disagree- recommendation closed

Target and completion dates: Enter the dates as follows--

- A. For recommendations in status 3 above, entered the planned completion date as provided by Amtrak. This date maybe revised periodically and Amtrak's requests for revising the date should be documented in the project file.
- B. For recommendations in status 4 above, enter the completion date as provided by Amtrak.
- C. For recommendations in status 5 above, enter the closed date.

Status of funds: For the recommendation types 1 through 4 above (questioned unsupported, prewar, and fund to be put to better use (FPTBU)), when entering recommendation status types 4 and 5 also enter the dollar amounts for:

1. Costs recovered.
2. Costs not disallowed or not agreed to by Amtrak.
3. Funds put to better use agreed to by Amtrak.
4. Funds put to better use not agreed to by management.
5. Prewar savings agreed to by Amtrak.
6. Pre-award savings not agreed to by management.