


# Memo



Date September 2, 2010  
To OIG Staff

From Ted Alves   
Department OIG, Amtrak  
Subject NAPA Report  
cc

Message Nation Academy of Public Administration (NAPA) Report

Earlier this year, I asked the National Academy of Public Administration (NAPA) to conduct an organizational assessment of the Amtrak Office of Inspector General. The assessment was intended to help us implement the goals in our strategic plan by identifying our core organizational strengths and weaknesses and developing specific, prioritized actions to improve OIG processes, policies, and management practices. NAPA assembled an expert panel and a project team to conduct the assessment and provided a written report of their assessment on August 31, 2010 (Attached).

NAPA's report contains observations and recommendations that are focused on eight areas where the assessment showed that the Amtrak OIG can enhance its operations. The eight areas are:

- Internal Communication
- External Communication
- Work Planning and Prioritization
- Quality and Timely Work Processes
- Independence
- Policy Management and Updates
- Human Capital Management
- Performance Measures

For each of these areas, NAPA identifies: a desired future state; the views of OIG senior staff, employees, and external stakeholders on the OIG's strengths and weaknesses relative to the future state; best practices used by other OIG's; and immediate and longer term recommendations to achieve the future state.

The senior leadership of the OIG and I have reviewed the NAPA report and concur with the immediate and longer term recommendations offered in each of the eight areas. We will begin the process of assessing the actions needed to implement the recommendations and have set a goal of developing an action plan in the next 60-90 days.

In developing an action plan we will also consider the results of the recently completed Quality Assurance Reviews of the Offices of Investigations and Audits. These reviews identified issues and recommendations related to several of the areas discussed by NAPA, so considering them collectively will help ensure that our plan is comprehensive in addressing the areas where we can enhance our operations.

Developing and implementing an effective action plan will require a concerted effort by all OIG employees. To this end, members of the senior leadership team have volunteered to serve as sponsors for each of the eight areas and we will solicit volunteers from across the OIG to work with the sponsors in developing and implementing the plan; please let us know if you are interested in participating in this initiative. Broad-based participation throughout OIG will improve the quality of our efforts and help in developing a common understanding of the rationale for enhancing our operations. We have also engaged NAPA to assist us in developing actions for some portions of the plan with the highest levels of priority and urgency.

We greatly appreciate the efforts of the NAPA panel and project team in conducting the assessment of our office. The project team members conducted the assessment in a timely, effective and professional manner and our interactions with them and the panel members were enlightening. The report provides an excellent framework for helping us implement the goals and objectives in our strategic plan of becoming a model OIG.

I look forward to working with each of you as we undertake the next phase of this critical initiative.

*A Phase One Report by a Panel of the*

**NATIONAL ACADEMY OF  
PUBLIC ADMINISTRATION**

*For Amtrak's Office of Inspector General*

August 2010

# **The Amtrak Office of Inspector General**

## **An Organizational Assessment**

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The views expressed in this report are those of the Panel. They do not necessarily reflect the views of the Academy as an institution.

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## EXECUTIVE SUMMARY

Amtrak's new Inspector General (IG) has voiced strong commitment to refocusing and reinvigorating the Office of Inspector General (OIG), and has recognized the need to maximize its internal efficiency and effectiveness to successfully deliver its mission. Fundamentally, OIG work is aimed at improving Amtrak's management, operations and delivery of services to the public and ensuring responsible stewardship of public funds.

This report by an expert Panel of the National Academy of Public Administration is the result of an organizational assessment requested by the Amtrak OIG. The Panel and project team commend the OIG for commissioning this independent assessment, which was not undertaken with a predetermined outcome in mind, but inspired by a commitment to continuous improvement and embracing industry best practices. The work of the OIG is intended to satisfy an important need at Amtrak and provide value to its stakeholders. Room for improvement exists in every organization; that is the principle that guided this work.

In this report, the Panel makes observations and recommendations in eight benchmark areas. For each area, the report defines the desired future state, summarizes Amtrak OIG's strengths and weaknesses related to the future state, and recommends immediate "quick win" next steps as well as longer term recommendations. Progress in these areas will significantly contribute to operational improvement. In addition, these recommendations reflect practices that industry-leading OIGs have instituted, while accounting for Amtrak OIG's unique needs, progress made to date and the organization's capacity constraints.

Becoming a model OIG is a process, and multiple interim steps must occur before the desired future state can be achieved. In order to meet OIG industry standards and perform work of higher value to Amtrak and its stakeholders, the OIG will need to develop different skill sets in order to perform work that meets industry standards. OIG employees must be both willing and able to make the necessary changes in work performance, and leadership must be prepared to make difficult decisions, should employees be unable or fail to embrace the necessary changes.

### FUTURE STATE OF BENCHMARK AREAS

- **Internal Communication.** Amtrak OIG is an organization with effective internal communication strategies that allow all OIG staff to be informed and invested in achieving a high-performance, high-accountability organizational mission.
- **External Communication.** Amtrak OIG has constructive relationships with Amtrak and congressional stakeholders that enable it to gather and share information about potential areas of risk, while maintaining independence and transparency.
- **Work Planning and Prioritization.** Amtrak OIG has a work planning and prioritization process that engages stakeholders in identifying and reducing areas of perceived risk, and fully assesses the nature, scope and inherent risks of Amtrak programs and operations. This process identifies high value work that provides strategic value to Amtrak and enables OIG to more effectively allocate its resources to this work.

- **Quality and Timely Work Processes.** Amtrak OIG consistently follows commonly accepted work practices and standards both within functional areas and across locations. Work adheres to established quality standards and, as appropriate, is accessible and transparent to OIG staff.
- **Independence.** Amtrak OIG has an independent and transparent relationship with its stakeholders, in accordance with the letter and spirit of the Inspector General Act and applicable industry standards. Each stakeholder group has a clear understanding and a practical, applied definition of what it means to have transparent interactions with an independent OIG.
- **Policy Management and Updates.** Amtrak OIG maintains and applies current, accurate and consistent policy across the office; has a process to monitor changes in the external environment that affect its work practices and a mechanism to incorporate those changes into internal policy; and makes all guidance easily accessible to staff.
- **Human Capital Management.** Amtrak OIG attracts and retains high-performing employees; has consistent job titles and job descriptions; and has in place training plans and performance management plans that link individual performance to OIG objectives.
- **Performance Measures.** Amtrak OIG has performance metrics that reflect the requirements of the Inspector General Act; meet the expectations of GAO and Congress; reflect the value of OIG work to Amtrak; and align with OIG strategic goals. These metrics are integrated into OIG’s operating and performance management systems.

For each of these eight future states, the Panel has identified both “quick win” opportunities as well as longer term recommendations that the OIG should implement. These “quick win” opportunities and longer term recommendations are listed in each of the eight sections, as well as at the conclusion of the report.

It is important to note that the IG’s willingness to engage staff and stakeholders in this organizational assessment—indeed, in the candid process of identifying areas for improvement—enhanced the office’s credibility among many stakeholders. All of the stakeholders who were part of the assessment want the Amtrak OIG to succeed, and appear willing to work together to make that happen and support the difficult decisions that may need to be made. At a time when the entire federal government is tasked to work more efficiently, collaboratively and effectively on behalf of the American people, it is noteworthy that the leadership of this key oversight organization has recognized the importance of leading by example and is prepared to make the necessary changes to do so.



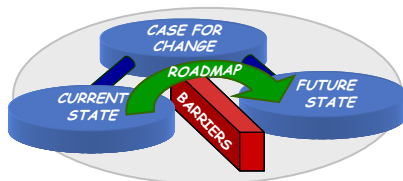
# Baseline Summary

## Current State

- OIG historically had minimal communication between and among Executive team and functional groups
- New members of Executive team have been well received by staff, and IG made a good number of early wins that won him credibility with stakeholders
- Staff waiting to see what changes leadership plans to undertake. Staff feel they have received little communication about vision & next steps, so there is fear about anticipated change and job security
- Recognized need by OIG staff and stakeholders that OIG needs to start doing higher-value work of impact to Amtrak, and to follow consistent, quality processes
- OIG has had limited communication with stakeholders. Stakeholders – both Amtrak and Hill - feel that historically they have been alerted to issues too late
- Independence of OIG and relationship with the Board has been strengthened since IG hire...need to institutionalize processes so no “slippage”

## Case for Change

- New IG and leadership team hail from high-performing OIGs; can educate and communicate “what a successful OIG does” to Amtrak, OIG employees, and stakeholders
- Culture of fear and anxiety is not healthy or sustainable
- Many OIG employees express desire to do higher-quality work that they can take pride in, and welcome learning about OIG best practices
- Investigators’ firearms were revoked; minimally passed CIGIE peer review; lack of clarity about need for Amtrak OIG since DOT OIG is viewed as strong....OIG needs to change lest it be taken over



## Barriers

- Culture of limited communication and “information/resource hoarding”
- Perception that different OIG staff might have different agendas; despite vocalized support for new OIG direction, all employees might not be willing to make necessary changes
- While recognized need to do more strategic work, anxiety about what this means for job security and day to day routines
- Many OIG near retirement and may not welcome changes

## Future State

- Has effective internal communication strategies that allow all OIG staff to be informed and invested in achieving a high-performance, high-accountability organizational mission.
- Has constructive relationships with Amtrak and Congressional stakeholders that enable it to gather and share information about potential areas of risk, while maintaining independence and transparency.
- Has a work planning and prioritization process that engages stakeholders in identifying and reducing areas of perceived risk, and fully assesses the nature, scope and inherent risks of Amtrak programs and operations.
- Consistently follows commonly accepted work practices and standards both within functional areas and across locations. Work adheres to established quality standards and, as appropriate, is accessible and transparent to OIG staff.
- Has an independent and transparent relationship with its stakeholders, in accordance with the letter and spirit of the IG Act and applicable industry standards. Each stakeholder group has a clear understanding and a practical, applied definition of what it means to have transparent interactions with an independent OIG.
- Maintains and applies current, accurate and consistent policy across the office; has a process to monitor changes in the external environment that affect its work practices and a mechanism to incorporate those changes into internal policy; and makes all guidance easily accessible to staff.
- Attracts and retrain high-performing employees; has consistent job titles and job descriptions, and has in place training plans and performance management plans that link individual performance to OIG objectives.
- Has performance metrics that reflect the requirements of the IG Act, meet the expectations of GAO and Congress, reflect the value of the OIG work to Amtrak; and aligned with OIG strategic goals. These metrics are integrated into the OIG’s operating and performance management systems.

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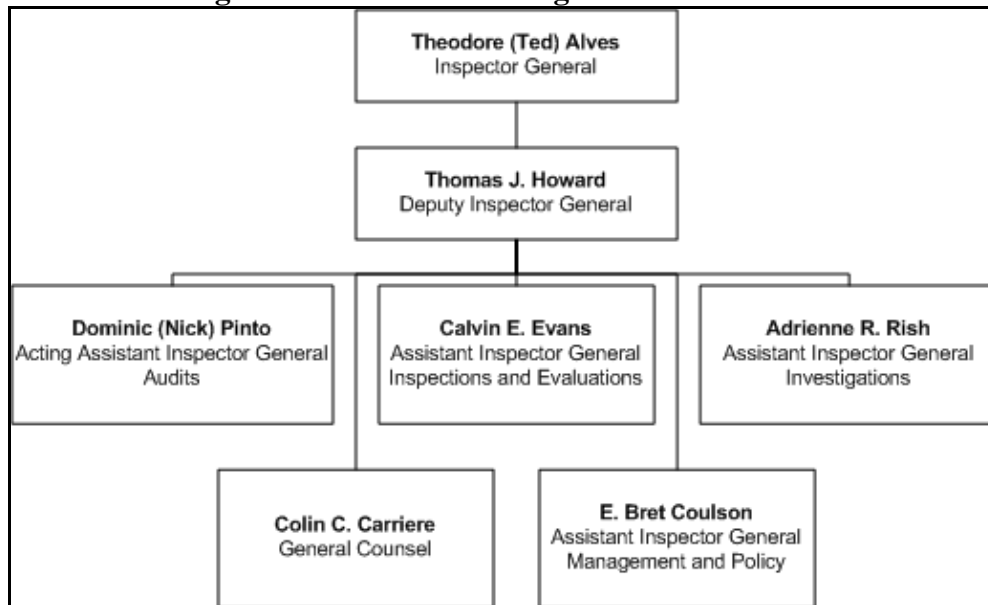
## BACKGROUND AND METHODOLOGY

### BACKGROUND

Created by the Rail Passenger Service Act in 1970, the National Railroad Passenger Corporation—better known as Amtrak—is a government-owned corporation providing intercity passenger rail service in the United States. Because Amtrak receives significant federal funding, Congress established an Office of Inspector General (OIG) for it in 1989. The OIG’s mission is to “conduct and supervise independent and objective audits, inspections, evaluations and investigations relating to agency programs and operations; promote economy, effectiveness and efficiency within the agency; prevent and detect fraud, waste and abuse in agency programs and operations; review security and safety policies and programs; and review and make recommendations regarding existing and proposed legislation and regulations relating to Amtrak’s programs and operations.”<sup>1</sup>

Amtrak’s Inspector General (IG), one of 30 Designated Federal Entity IGs, is appointed by and reports to the corporation’s Board Chairman. Headquartered in Washington, DC, OIG has field offices in Baltimore, Boston, Chicago, Los Angeles, New York, Philadelphia and Wilmington, Delaware. It is organized into five areas of responsibility: Audits, Inspections and Evaluations, Investigations, Management and Policy, and Counsel to Inspector General. Figure 1 shows OIG’s current organizational structure.

**Figure 1: Amtrak OIG Organizational Chart<sup>2</sup>**



<sup>1</sup> <http://www.amtrakoig.gov/%28S%28g1ug5aqgeo3qp145lnqhl dzi%29%29/About.aspx>

<sup>2</sup> <http://www.amtrakoig.gov/%28S%280zdcduq0szwzahrzqrypknmw%29%29/About.aspx?option=3>

In addition to its internal stakeholders, OIG must provide information to external decision makers in an efficient, reliable and useful manner. Its work is aimed at improving Amtrak's management, operations and delivery of services to the public and ensuring responsible stewardship of public funds.

Following 20 years under the leadership of its first and only IG, Amtrak launched a comprehensive search for a successor after his unexpected retirement in June 2009. This period of uncertainty heightened a longstanding debate between Amtrak management and the OIG regarding the latter's operational independence. Further, an Audit peer review concluded in September 2009 found that OIG's policies and procedures were outdated and did not fully incorporate current Government Auditing Standards.

The Amtrak Board's desire to transform OIG into an industry-leading model led to the appointment of Ted Alves, a seasoned member of the IG community, as its IG in November 2009. Critical changes were undertaken within the first six months of his tenure. A Deputy IG position and separate Investigations Division were created, and an Assistant Inspector General for Investigations and Acting Assistant Inspector General for Audits were appointed. OIG also completed a Strategic Plan for Fiscal Year 2010-2014, which aligns its goals with Amtrak's mission and goals. Notably, OIG added a sixth goal related to internal operations: "Leading by example as a model OIG organization."

Recent changes have also affected OIG's annual appropriations and relationship with Amtrak management. Previously, OIG submitted its budget request to Congress as part of Amtrak's annual grant request. To maintain OIG independence and a productive relationship with Amtrak, Congress determined that OIG should no longer rely on the corporation for its funding. The Consolidated Appropriations Act of 2010 authorized a direct appropriation of \$19 million for OIG. The act required that Amtrak management and OIG develop a set of relationship policies and procedures that "are consistent with the letter and the spirit of the Inspector General Act of 1978." In 2010, the Council of the Inspectors General on Integrity and Efficiency (CIGIE) confirmed that the new jointly developed policies and procedures complied with the letter and spirit of the act.

## **METHODOLOGY**

The new leadership team has exhibited a strong commitment to refocusing and reinvigorating Amtrak OIG, and has recognized the need to maximize its internal efficiency and effectiveness to successfully deliver its mission. To that end, it engaged the National Academy of Public Administration to conduct an independent assessment of its current operations and identify business process improvements to help it become a model OIG. The overall project encompasses this organizational assessment and an option to develop selected implementation roadmaps.

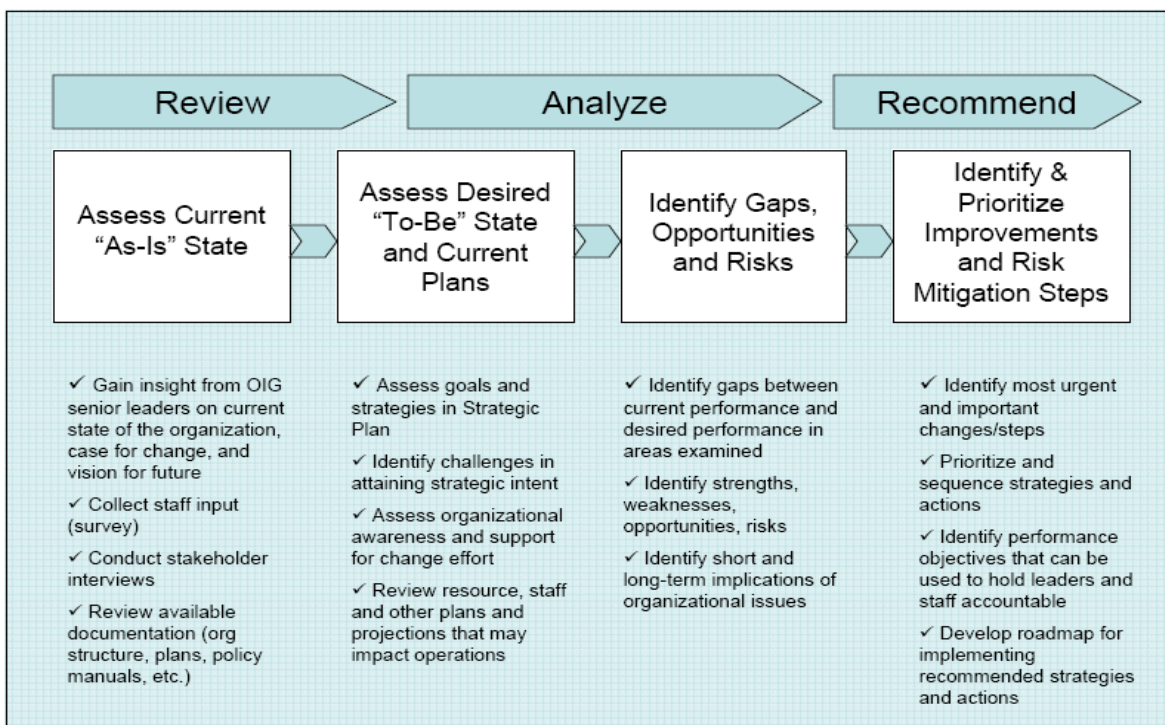
The National Academy formed an expert Panel to direct and oversee the study and a study team to conduct the work. The team employed a straightforward approach to the organizational

assessment that formed the basis for the Panel’s observations and recommendations. It was built around the following key questions:

- *Where are we?* Defining the “as is” state of the organization.
- *Where do we need to be?* Addressing the future state.
- *What is keeping us from it?* Identifying barriers or challenges to achieve the future state.

Figure 2 summarizes this approach.

**Figure 2: Project Approach**



The organizational assessment, conducted between April and July 2010, relies on data from multiple sources, including:

- Interviews with 17 OIG senior team and staff members who participated in strategic plan development;
- Interviews with 22 OIG stakeholders, including representatives of the Amtrak leadership team, members of the Amtrak Board of Directors, OIG consultants, and congressional committee staff;
- Interviews with 11 representatives of comparable OIGs considered “high performing” within the IG community;
- A survey of all OIG staff (91 total), which generated a 90 percent response rate; and
- An extensive review of relevant documents, including strategic plans, CIGIE reports, the 2009 audit peer review and IG congressional testimony.

The four-member Academy Panel held two formal meetings, provided guidance concerning the study team's research and analysis, and deliberated and approved the report's findings, conclusions and recommendations. Appendix H provides the names and biographies of the Panel members.

## **CORE STRENGTHS OF THE OFFICE OF THE INSPECTOR GENERAL**

The organizational assessment identified a number of strengths of the Amtrak OIG that can be leveraged in addressing its challenges. Data sources, including the staff survey and OIG and stakeholder interviews, support a consensus around these indicators of the OIG's strengths, and also yield a number of associated weaknesses.

### **Strong New Leadership**

Nearly all stakeholders and members of the OIG senior staff who were interviewed identified the new IG and members of his leadership team as core strengths of the office. It is widely recognized that many members of the leadership team come from high-performing OIGs, where they earned a great deal of credibility. Specific actions or leadership traits cited as providing value to the Amtrak OIG include:

- Reorganizing to streamline operations and promote effectiveness.
- Committing to development of a solid foundation and operating framework.
- Filling key senior positions with well-qualified professionals.
- Changing the type of work that the office performs to include more strategic work of higher value to Amtrak.
- Committing the office to a consistent and high standard for performing work.
- Strengthening relationships with stakeholders through ongoing outreach.

Staff and stakeholders expressed optimism that the new IG and his team will be able to translate best practice and industry standards from other OIGs to Amtrak, and indicated positive reactions to the changes they have seen thus far.

Interviewees also noted that this independent organizational assessment reflects the new direction that the IG is taking the office and is viewed by stakeholders as a bold and commendable action.

### **OIG Staff**

Survey results and staff interviews indicated that Amtrak OIG staff have significant areas of strength. Examples provided include staff's deep knowledge of railroad operations and commitment to the organization. Some interviewees identified specific individuals who exhibit exceptional capabilities and positive attitudes. It is interesting to note, however, that while the majority of staff survey respondents indicated that they felt motivated and inspired to do their best work, many OIG senior staff, Amtrak leadership, and stakeholder interviewees voiced the concern that many of the OIG staff may be resistant to change and may not be motivated to

perform higher-value and higher-quality OIG work. If true, these individuals will require management's attention to avoid a negative influence on the culture or impede the success of the changes needed.

### **Knowledge of Railroad Operations**

Knowledgeable staff was cited as a noteworthy attribute. To properly evaluate Amtrak operations, many believe it is imperative to understand them. Many OIG survey respondents (36 percent) were Amtrak employees prior to joining OIG. However, what is perceived as a core strength by some is cited a weakness by others as OIG staff could be less than objective or may overstep into management affairs. It was noted that many OIG staff have not been trained on standard OIG work processes and may not fully understand the limits that a staff member of the OIG must adhere to with regard to advising or participating in management decisions. Some interviewees cited instances in which OIG employees inappropriately participated in Amtrak management decision making, and have acted in a more directive role than is appropriate.

### **Value of the Office of the Inspector General**

Finally, there is the perceived value of the OIG itself. Stakeholders were asked about the value that the office brings to the Amtrak organization and the impact of its work. Respondents believed that, in some cases, OIG has helped to identify and translate best practices in managing infrastructure assets, and mentioned specific reports that were helpful. Overwhelmingly, interviewees valued the external, objective perspective that the OIG **could** offer (as opposed to what it currently does offer), noting that the office could add objective perspectives not otherwise available. It was noted that a high-functioning OIG could help Amtrak staff identify emerging issues before they develop into real problems, and “connect the dots” among Amtrak units, since OIG can develop the overarching perspective necessary to detect high-level trends.

The positive attitude among Amtrak staff and OIG stakeholders about the increased value that a high-performing OIG could offer is an important foundation for performance improvement efforts.

## **ORGANIZATION OF THIS REPORT**

This report is divided into eight benchmark areas. For each area, the Panel defines the future state, discusses Amtrak OIG's strengths and weaknesses, and recommends immediate “quick win” next steps as well as recommendations that will take longer to implement.

The data collection process surfaced strengths, opportunities, weaknesses and risks with respect to Amtrak OIG operations. The practices of benchmarked OIGs are integrated into the observations and discussion sections to illustrate opportunities for improvement or potential risks to current practices.

The Panel believes that its “quick win” and longer term recommendations will contribute significantly to OIG's operational improvement. The recommendations reflect practices that

industry-leading OIGs have instituted, yet take into account OIG's unique needs, progress made to date and existing capacity constraints.



## **BENCHMARK AREAS**

### **Benchmark Area #1 INTERNAL COMMUNICATION**

#### **Future State**

Amtrak OIG is an organization with effective internal communication strategies that allow all OIG staff to be informed and invested in achieving a high-performance, high-accountability organizational mission.

#### **Observations and Discussion**

A strong majority of OIG staff and stakeholder interviewees felt that the Amtrak IG began his tenure with an open door policy, which has helped begin to break down information silos and promote sharing across OIG units. In addition, the IG has begun to actively engage OIG staff; for example, a March 2010 all-hands meeting outlined the development of the OIG strategic plan and steps to achieve its goals.

An inclusive, comprehensive and visible communication style, which includes regular all-staff meetings, characterizes all the benchmarked OIGs. In these highly respected OIGs, leaders exhibit strong, positive working styles and conduct frequent conversations and meetings with staff. Nonetheless, these OIGs indicated that communication among auditors and investigators was an ongoing challenge. One remarked that employing cross-functional teams in a meaningful way helped to improve communication across the units. Another uses informal multi-unit teleconferences to ensure that offices in disparate locations touch base with each other and discuss issues on a regular basis.

Nearly three quarters of staff survey respondents were highly satisfied with their immediate supervisors' communication of OIG goals and priorities. The same proportion had a generally positive view of their own managers' ability to see the "big picture" across audits, investigations and evaluations, as well as their understanding of the full range of programs across Amtrak. This attribute is fundamental to transparency, a key priority that several benchmarked OIGs highlighted. One benchmarked IG emphasized the importance of making every OIG report available to all staff to foster an open culture of information sharing and learning.

Historically, Amtrak OIG's culture has inhibited the information sharing necessary for a model OIG. Several interviewees observed that information flows within Amtrak OIG were on a need-to-know basis and that some OIG employees tried to "hoard" information and staff resources; this led to a culture based on rumor, suspicion, and frustration. Neither managers nor staff routinely shared information and, as a result, the OIG was unable to capitalize on information that could have been available through both regular and informal information sharing

opportunities. Field offices, in particular, are not well integrated into the operations of the OIG, and they have had limited communication or interaction with HQ employees.

Recent developments have started the process of open communication at Amtrak OIG—staff were encouraged by the March all-hands meeting, for example—but communication across the entire OIG still does not occur with regularity. Many attendees expressed the opinion that the all-hands meeting was too “scripted” and that communication within and from senior leadership could be improved. Survey respondents were significantly less satisfied with communication from senior leadership than from their direct supervisors. Forty-nine percent agreed or strongly agreed that, “The Executive Team effectively communicates the goals and priorities of the OIG,” compared with 73 percent who agreed with that statement regarding communication with their direct supervisor.

Benchmarked organizations conduct ongoing communication both within and across functions, including sharing weekly activity reports and functional report drafts with other groups for comment. Technology is an effective tool to enable internal communication, but it has not been effectively utilized to date in Amtrak OIG. There is now a secure subnet that could potentially serve as an internal Intranet, but employees do not use it regularly, and interviewees were not confident that it would provide a dynamic, two-way communication mechanism. In contrast, benchmarked OIGs view their Intranet as a communication mechanism and performance support tool; most staff access it at least weekly. One benchmarked OIG created a blog on its Intranet for senior leaders to share information with staff and enhance two-way communication among all staff, regardless of location.

Leadership reported that Amtrak OIG historically has struggled with communicating organizational progress and staff accomplishments in an impactful manner. Amtrak OIG leadership should not be shy about sharing good news with OIG staff in order to help build pride and confidence in the new organization. For example, an intranet site could be used to share such items as the positive feedback received from the Amtrak President and Board Chairman on a recent IG report. Dashboards and other regular reports can also be effective. One benchmarked OIG reported that he meets weekly with each division head and division leadership to discuss on-going work and to review open cases and a multi-colored spreadsheet depicting progress on audits and work streams. Another sends a weekly communication that includes information about promotions, open positions, and new hires, as well as birthdays, marriages and births.

## **Recommendations**

### ***Quick Wins:***

1. Institute regular top-down communication practices, including a monthly email to all staff that highlights on-going work, employee achievements, and OIG successes.
2. Conduct regularly scheduled (at least monthly) AIG unit meetings to discuss new work and progress on current work, emerging issues, current events, etc. The IG and/or Deputy IG should attend these meetings on a rotating basis. In addition, the IG/Deputy should attend meetings at which the AIG and his/her staff will be making critical go/no-go decisions regarding ongoing work, so that staff recognizes such milestones are important and that leadership is engaged in the newly developed Audit processes.
3. Hold at least two all-staff meetings per year that include an opportunity for staff to make presentations, ask questions of leadership, and recognize high-performing employees.
4. Develop mechanisms to allow OIG staff to give feedback to management.

### ***Longer Term Recommendations:***

5. Make more effective use of technology and face-to-face meetings to strengthen internal communications and build a culture of transparency and information sharing. It should explore the following mechanisms to do so:
  - Create and actively populate an Intranet site (secure subnet) with report and process information that will enable more productive and efficient workflow.
  - Contribute to Amtrak's monthly internal publications to communicate about OIG work efforts and celebrate staff successes and milestones.
  - Develop visual dashboards and representations of ongoing work to communicate the status of organizational activities.
  - Have members of senior leadership conduct a number of field visits and divisional staff meetings annually.
  - Adhere to a regular schedule of senior staff meetings and office-wide meetings, utilizing video conferencing capability if possible.
  - Build a measure regarding internal communication and information sharing into employee accountability plans.

## **Benchmark Area #2**

### **EXTERNAL COMMUNICATION**

#### **Future State**

Amtrak OIG has constructive relationships with Amtrak and congressional stakeholders that enable it to gather and share information about potential areas of risk while maintaining independence and transparency.

#### **Observations and Discussion**

Stakeholders were optimistic about the positive start to their relationship with the new IG. Many noted that the IG has done an excellent job at reaching out to them and has built a great deal of goodwill and credibility thus far. They are eager to see examples of how OIG's work will be different once the IG and his leadership team are able to initiate work under new guidelines and leadership.

The Amtrak Board has been pleased with the new IG's communication of OIG activities during Board meetings, and has increased time allotted on its agenda from 30 minutes to one hour. This time provides an ideal opportunity for the IG to discuss ongoing areas of concern with the Board, as well as to gain a better understanding of perceived areas of risk from the governance perspective. This time should be viewed by both parties as an opportunity for discussion, not simply a presentation by the IG. Transparency is critical to building trust and confidence, even when the IG must refrain from sharing specific information about ongoing work.

Congressional stakeholders voiced similar optimism that the Amtrak IG will act boldly and focus on issues of substance moving forward. The IG and his congressional liaison meet regularly with congressional staff to proactively engage them in discussions of concern. The new IG also has strong experience and credibility within the OIG community, which can be leveraged when educating Amtrak stakeholders about OIG roles and responsibilities.

At the same time, numerous shortcomings must be addressed, both from a structural perspective and an educational dimension. OIG does not have an established process with standardized timeframes for providing updates to stakeholders. For example, as subjects of a report, some have not had the opportunity to comment prior to public release. One interviewee characterized past practice by saying that auditors simply "disappeared" once an engagement started, gave no progress reports, and then re-emerged following a significant period of time. All stakeholders indicated that they would like to know how and when OIG will communicate with them going forward, so it will be particularly important to establish clear expectations about interaction during audits and other OIG engagements.

In addition, many stakeholders at Amtrak said they and their staffs would benefit from a clearer understanding of the roles and responsibilities of an independent, high-performing OIG. Board

member interviewees also said they could benefit from learning more. Two senior management team members also noted that it would be beneficial to clearly define and communicate OIG roles and responsibilities to internal and external stakeholders. An “OIG 101” presentation or brochure may be especially helpful in this regard.

There is a perception that some stakeholders are given more information than others. Some Amtrak staff and Board members believe that Congress sometimes has received critical information without the opportunity for Amtrak to respond. Meanwhile, congressional interviewees thought that they received information only when an issue became critical and it was too late to effectively resolve it. Given that each stakeholder group believes the other is armed with more information than the other, it is imperative that the Amtrak OIG maintains consistent, transparent communication. One benchmarked OIG issues a monthly or quarterly “issues and highlights report” to both agency management and Hill stakeholders in order to minimize the perception that information is unevenly shared.

With much credit due for recent progress, communications with Congress must be conducted in an increasingly responsive and proactive manner that can produce maximum benefit for Amtrak OIG, including established timeframes for sending OIG reports to the Hill. One benchmarked OIG sends reports to Congress concurrent with public release and has the project team brief relevant staffers. This not only ensures regular and productive communications with the Hill, but also engages and motivates OIG staff. Developing candid and productive relationships with key Senate and House staff presents an opportunity to manage contentious issues more effectively.

## **Recommendations**

### ***Quick Wins:***

6. Develop a practical, “applied” definition of independence and a succinct statement of the benefits and value of an independent OIG for use with the OIG staff, Amtrak Board of Directors, and Amtrak Senior Management. This would serve to clarify the nature of OIG’s work and help build support for its transformation.
7. Once new work processes are established this fall, OIG leadership should meet with both Amtrak and Congressional stakeholders to brief them on the new processes, and let them know how and when each of them can expect to receive updates, be part of an official comment period, and/or receive information and reports.

### ***Longer Term Recommendations:***

8. Establish standard procedures for reporting to external stakeholders. It should carefully develop a manageable list and schedule of regular updates (both oral and written), examples of which may include the following:
  - Develop a standard reporting instrument and structure for congressional stakeholders.

- Author a monthly column in the Amtrak newsletter. (This does not have to be authored by the IG each month; AIGs, project leaders and other staff could contribute.)
  - Provide regular written updates to the Amtrak Board to supplement meeting presentations; these could also be sent to management and Congress to promote transparency.
  - Establish protocols for communicating with the Board, management and congressional staff, utilizing key technology resources.
  - Significantly improve the OIG website to create a user-friendly and informative tool for communicating about OIG activities and results.
9. Develop and conduct “OIG 101” training sessions. OIG and Amtrak staff, some members of Amtrak senior management, and the Board of Directors could all benefit from a practical presentation that explains what it means to interact with an independent OIG, including examples of “good” and “bad” interactions.

**Benchmark Area #3:  
WORK PLANNING AND PRIORITIZATION**

**Future State**

Amtrak OIG has a work planning and prioritization process that engages stakeholders in identifying and reducing areas of perceived risk, and fully assesses the nature, scope and inherent risks of Amtrak programs and operations. This process identifies high value work that provides strategic value to Amtrak and enables OIG to more effectively allocate its resources to this work.

**Observations and Discussion**

As five senior OIG officials reported, OIG leadership recognizes that it must perform higher value work that has strategic impact to Amtrak, and that it needs a process that objectively identifies and prioritizes Amtrak programs as potential subjects of audit, investigation, inspection or evaluation. A major step in this direction was the development of the OIG strategic plan in early 2010, which has been well received by OIG leadership and staff. Eighty-one percent of staff who responded to the survey said they had a good understanding of the plan and the same percentage supported its goals. Among other steps recently undertaken, the OIG has:

- Begun to transition internal control compliance functions to Amtrak.
- Required all audit and evaluation employees, regardless of tenure, to take “Audit 101,” evidence, and report writing classes to ensure that they have baseline knowledge of industry standard audit procedures.
- Begun to educate investigators about what a “big picture” strategic investigation would resemble and what skill sets it would require; the AIG also has plans to conduct fraud awareness training for Amtrak employees.
- Hired a seasoned consultant with IG experience to document standard quality work processes; this work should be completed in September 2010.

The benchmarked OIGs noted the need to scan the external environment for potential issues to ensure that OIG priorities appropriately consider agency challenges and needs, and to help build trusted relationships with stakeholders. It is noteworthy that the Amtrak IG has held regular meetings with the Board Chairman and leadership, met monthly with the President and CEO, and moved to improve relationships and increase transparency with Congress. He has committed to engaging in continuous dialogue with these stakeholders throughout the year, thus providing the opportunity to identify emerging issues and potential risks *before* they become problematic.

Amtrak OIG is to be commended for developing a multi-year strategic plan, though it was noted that the development process could be improved. The plan was developed primarily by middle managers, and a number of staff thought that it would be helpful for senior leaders to provide strategic direction and facilitate communication among different functional units as the plan is updated. Several interviewees identified the need to better educate OIG staff about what the plan

means to employees. Benchmarked OIGs noted the importance of updating the plan annually to reflect year-to-year operating reality.

Amtrak OIG leadership clearly recognizes the value of developing an annual work plan that engages all OIG staff—particularly senior managers—in the identification and prioritization of work. Nevertheless, limited staff skill sets and capacity impede leadership’s ability to broadly engage OIG staff at this time. Specific constraints include the following:

- Many OIG staff are consumed by triaging and closing out work initiated under the prior IG’s tenure and processes (much of which should not have been initiated), and do not currently have the capacity to take on additional work.
- Compliance functions must be fully transitioned to Amtrak in order to free up staff resources to conduct higher value work.
- Many staff do not have experience with impactful, strategically-focused OIG work, so would have difficulty effectively generating ideas for consideration.
- Many staff are nearing eligibility for retirement and some may not welcome changing the type or focus of work that historically has been performed.

Many OIG and stakeholder interviewees said that not only do many OIG staff not have the skill set to identify high value OIG work, but also, as discussed in greater depth later in the report, that many staff do not have the skill set necessary to conduct the resulting work. Many auditors lack a working knowledge of Yellow Book standards, and many evaluators are knowledgeable in their subject matter area but also lack a solid understanding of Yellow Book standards used by the IG community.

Further, Amtrak itself may not thoroughly understand its risks. Board members and leadership indicate that they are familiar with areas of operational risk, but two benchmarked OIGs encourage their agencies to address risk awareness more comprehensively than is done at Amtrak. Specifically, these OIGs encourage agencies to undertake a comprehensive enterprise risk management process, which the IG considers with its identified risks as part of the annual planning process.

Finally, most benchmarked OIGs said they use specific risk factors to rank and prioritize suggestions generated by an external scan. Examples of criteria include dollar value, prior audit coverage, external interest, public sensitivity, and IG discretion/judgment. The Amtrak IG recognizes the value of having established ranking criteria to increase transparency about the types of work performed, and plans to do so in the future.



## **Recommendations**

### ***Quick Wins:***

10. Create a means to identify and close out all low-priority OIG work by the end of this fiscal year. One approach would be to require all staff to submit to their AIG an inventory of all open projects under their purview, including the date the project was initiated, the current status, the staff assigned to the project and estimated staff time required to complete the work, and the projected completion date. If the projected completion date is after October 1, 2010, the project lead should provide a written justification as to why the work should not be terminated.
11. Discuss areas of perceived risk with the Amtrak Board and management, with the goal of identifying issues to be addressed in the annual OIG work plan for the coming fiscal year.
12. Hold an extended (potentially offsite) meeting of senior staff from headquarters and field offices, AIGs, and senior OIG leadership to discuss and finalize the upcoming year's priorities.
13. Institute a twice-yearly meeting among all AIGs and Amtrak senior team members to discuss any areas of concern regarding OIG/Amtrak interaction, as well as perceived or emerging risks to the corporation.

### ***Longer Term Recommendations:***

14. Develop a comprehensive work prioritization plan, including interim operational milestones and a communications plan, that will launch in Fall 2011. The plan should result from a process that is owned by the senior management team, includes OIG staff and stakeholder input, and applies risk factors and criteria to prioritize work. It will also be important to develop and implement a communications strategy for the work plan that is undertaken in fall 2010. Staff should understand that the formal work prioritization process will be launched in fall 2011, but interim steps are being undertaken to ensure continued progress. Ultimately, the annual work plan must be clearly aligned with the OIG's Strategic Plan and Human Capital Plan.

**Benchmark Area #4:  
QUALITY AND TIMELY WORK PROCESSES**

**Future State**

Amtrak OIG consistently follows commonly accepted work practices and standards both within functional areas and across locations. Work adheres to established quality standards and, as appropriate, is accessible and transparent to OIG staff.

**Observations and Discussion**

All OIG staff interviewed recognized that consistent, clear work processes are key to every well functioning organization; many identified the need for their work to adhere to established guidance, such as the Yellow Book, which all benchmarked OIGs follow. They also agreed that it would be helpful to have clear expectations about what audits, evaluations and investigations to conduct and how to conduct them.

Survey and interview data indicate that the lack of documented and well understood processes, tools and deadlines has resulted in misaligned resources, inconsistent report formats and inadequate accountability. Some interviewees, both among staff and stakeholders, noted a concern about the review process—including the number, levels and timeframes of reviews—and the lack of standard formats or quality control for different types of work. They also noted the lack of standards for report writing, and said reports often are outdated by the time the review process is complete.

Specific shortcomings that were identified include the following:

- Audits have not been conducted in accordance with Yellow Book standards or in a timely manner, with established deadlines and quality control for fact checking and independent referencing. Although OIG recently passed a peer review, deficiencies were found in its policies and procedures across the office, particularly with regard to adherence to Yellow Book standards. Actions are underway to correct these deficiencies and new guidance is scheduled for implementation by September 2010, with training to occur this Fall.
- The majority of Investigators do not currently meet the federal standards that would permit them to carry firearms, and many may not even be eligible to attend required training standards due to physical or other limitations. Investigators have not consistently followed investigative standards; numerous interviewees cited examples in which Investigators conducted interviews without appropriate notice to Amtrak employees, or did not document their requests for information from employees. One stakeholder familiar with the OIG Investigative unit said he does not believe that the Investigative Unit would be able to pass an independent peer review, and believes that the work practices of this unit undermines the credibility of the entire Amtrak OIG.

- The Inspections and Evaluation group has produced some reports that were valued by Amtrak, but they did not, and were not required to, prepare these products in accordance with Yellow Book standards.
- OIG has not been consistently tracking the status of its recommendations. Congress is increasingly interested in knowing about recommendations not accepted or implemented by management, and OIG has recently begun to track these data. Staff and stakeholders are hopeful that the new Amtrak audit liaison will take on the task of reviewing the status of findings and recommendations, particularly once work under the new IG's leadership and guidelines is fully initiated.
- OIG staff do not consistently use such electronic tools as TeamMate for auditors and Amtrak Investigations Management System (AIMS) for investigators; there is insufficient guidance, policy or training for the use of these systems. Until staff consistently input information into the systems, they cannot be used to document and track ongoing work. Among staff surveyed, 37 percent believe that guidance and training provided for TeamMate is very poor or poor, while 34 percent felt the same about AIMS guidance and training. All staff should use these systems to support progress monitoring, accountability and transparency.
- Field offices are not well integrated into HQ operations, and may not represent the most efficient or appropriate location of where work needs to be performed; many field offices also do not have a critical mass of employees nor appropriate supervisory relationships.

Staff, management and stakeholders identified the need for more structured work processes and quality control in nearly every interview. Twenty-nine percent of staff respondents asked for technical guidance and standardized, transparent work processes. Establishing and enforcing adherence to common practices and standards will also support increased accountability.

Most OIG interviewees said expectations about standard processes have begun to be communicated. These include statements made at the March 2010 all-staff meeting, the mandated Audit 101 training, and informal communications. The next step is to provide clear guidance about what these expectations mean for day-to-day operations via training scheduled for this Fall. Amtrak OIG is currently doing what all benchmarked OIGs have done: improve the culture through written guidance and training, clear and direct messages, ongoing communication about expectations and holding individuals and managers accountable for following standard procedures.

Amtrak OIG has hired an experienced OIG consultant to document its Audit processes, the result of which is due for completion in September 2010. Developing guidance is critical to unifying an organization and forming a common groundwork for change. One benchmarked OIG undertook a major revision of its standard operating procedures during a time of similar organizational change. It tasked each field office with writing a chapter of the manual that covered a specific task or topic. An AIG then compiled the chapters and did a master edit before signing off and distributing the guidance. Engaging all staff engendered support for and understanding of the procedures across the OIG.

Senior staff interviewees offered a number of constructive ideas about the changes needed and appeared receptive to the changes already undertaken. Survey respondents also provided suggestions. Twenty-one percent of survey respondents identified the need for guidance regarding report preparation process and style, as well as for training on TeamMate, AIMS, and overall standards and guidelines. Overall, staff survey respondents had positive perceptions about staff willingness to adopt changes and learn new processes. More than 80 percent agreed or strongly agreed that staff are willing to learn how to use these new tools, which will be an important factor in adopting OIG-wide practices and automation. Only when such requirements are instituted will it be clear whether such willingness – and ability – truly exists.

The recently created audit liaison position could be utilized to facilitate retrieval of information for audits, in addition to tracking implementation of recommendations. Benchmarked OIGs also reported increased use of interim work reports to ensure that the reports are on the right track, and ensure that agency and congressional staff receive information in a timely manner. For example, several OIGs issue interim technical advisory reports, or share preliminary findings with stakeholders if they can facilitate immediate improvements to a program.

## **Recommendations**

### ***Quick Wins:***

15. Ensure that productive, engaging training on the newly developed policies and procedures for Audit and I&E occurs this fall.
16. Require and provide basic written instruction to all OIG employees to utilize the appropriate electronic project management system, so that project activities can be documented and project progress can be assessed.
17. After training is completed, identify a number of audits or other work that can be completed within a relatively short time period (e.g., 120 days). This work can provide indicators of whether employees understand and are adhering to the new policies; it will also provide the benefit of being able to provide finished work products to share with Amtrak, the Hill and OIG staff in the relatively near term.
18. Find any and all opportunities to celebrate products of the improved work processes and training. Recognize strong employees and report success. Provide examples of “good reports” and models of behavior going forward.
19. For Investigators, establish a deadline by which they must meet Attorney General Guidelines to carry firearms and carry out law enforcement actions, and create a plan of action for those who are unable to meet the required standards

### ***Longer Term Recommendations:***

20. Continue to place priority on developing internal policy and guidance, and pay special attention to defining how Yellow Book standards will apply to audits and evaluations.

Many of the basic principles apply to both types of work. Efforts should also continue to codify internal guidance on investigative practices. This work deserves priority attention, as the positive improvement of the office depends heavily upon having these solid foundations of policy and guidance.

21. Ensure compliance with internal policy and guidance once they are developed. Specific approaches include the following:
  - Make the guidance and tools easily accessible. Devote resources to host and maintain policies and procedures on an OIG Intranet site, with access open to all OIG staff for easy reference.
  - Require that all staff members use TeamMate and AIMS in accordance with the underlying policy's intended goals. Centrally manage customization and training to ensure a unified approach.
  - Develop and execute a training plan for staff in basic office processes and practices. Conduct the training shortly after finalizing the guidance to expedite the transition to a consistent work approach.
  - Monitor application of standards and hold managers and staff accountable for following the policies and procedures on a regular basis, as well as in annual performance reviews. Employ a routine, "dashboard-type" progress report against work plans, and a consistent quality assurance review process to reinforce adherence to standards in methods and final products.
  
22. Consider whether field offices should be relocated, eliminated or staffed differently, in light of new OIG work flows, supervisory relationships, and project staffing. Ensure that each OIG field office can operate cost-effectively: that it has adequate work to perform; its location is consistent with the work that OIG needs to be performed; it has a critical mass of employees to perform the necessary work; and it has a supervisor who has an appropriate number of employees to manage, as well as the experience and skill set to provide employees with the necessary guidance and supervision. In some cases, field offices may need to be consolidated and/or supervisors may have to be hired.

## **Benchmark Area #5: INDEPENDENCE**

### **Future State**

Amtrak OIG has an independent and transparent relationship with its stakeholders, in accordance with the letter and spirit of the Inspector General Act and applicable industry standards. Each stakeholder group has a clear understanding and a practical, applied definition of what it means to have transparent interactions with an independent OIG.

### **Observations and Discussion**

Every interviewee—staff and stakeholder alike—supported OIG’s independence and recognized that constructive, transparent stakeholder relationships are crucial to maintaining it. All respondents believed that Amtrak OIG has made great strides in establishing independence and improving relationships since the appointment of the new IG, whom they recognized must have adequate in-house capability to ensure operational independence. The Board and Amtrak management echoed this sentiment, commending OIG leadership’s openness, transparency and heightened presence at Board meetings. Board members understand that they do not have the authority to direct OIG’s activities.

Recent developments further demonstrate a strengthened level of OIG independence. First, the Consolidated Appropriations Act of 2010 authorized a direct appropriation to OIG to ensure that it is no longer dependent on Amtrak for funding and to increase its perceived and actual independence. Second, Amtrak and OIG cooperatively developed new relationship policies and procedures to ensure productive interactions. Interviewees cited this document as a great start and noted the positive spirit with which it was created. As required by Congress, the CIGIE Vice Chairman conducted an independent evaluation that verified that the policies comport with the letter and spirit of the Inspector General Act. Lastly, OIG employees, even those with deep railroad knowledge, appear to understand that they are no longer able to participate in Amtrak management decisions; despite this apparent understanding, however, interviewees still cite instances in which OIG staff continue to participate in Amtrak management decisions, so robust training is needed to educate OIG staff about what is and is not appropriate.

Notwithstanding this renewed sense of independence, OIG leadership and stakeholders are concerned that Amtrak does not understand what independence truly entails with regard to specific authorities and responsibilities, such as those pertaining to human resource decisions and access to company records. Most stakeholder interviewees stressed the need to educate Amtrak staff about what an independent high-performing OIG does and how it should interact with them. Even Board members, most of whom have not had other experience interacting with an IG, would benefit from a clearer understanding of what an “independent yet transparent” relationship entails.

It was noted in interviews that Amtrak management in the past has sought OIG's "blessing" prior to implementing key management decisions. Also, OIG conducted routine internal control functions that Amtrak staff should conduct before paying bills.

Given the historical culture of limited communication and entrenched ways of doing things, it will take time for both OIG and Amtrak staff to embrace best practice concepts of independence and transparency, but it appears that everyone recognizes that it needs to happen

## **Recommendations**

### ***Quick Wins:***

23. Continue to have conversations with Amtrak management and the Board about its role and resolve issues as they arise (e.g., Amtrak salary guidelines for OIG employees).
24. Request an informal CIGIE consultative review to confirm that the policies and procedures agreed to by management and the IG are being consistently implemented. Doing so could help to ensure that OIG is on track to pass the follow-up review next year.

### ***Longer Term Recommendations:***

25. Use the recently developed relationship policy to educate all stakeholders about the roles and responsibilities of OIG and Amtrak. In addition, OIG should develop a practical, applied definition of "independent yet transparent".
26. Work with Amtrak management and Board to eliminate Amtrak-imposed restrictions on OIG's use of funds, hiring actions or other resources that may adversely affect OIG's ability to fulfill its responsibilities. For example, the Panel recommends that OIG's relationship with Amtrak Human Resources be reviewed and redefined so that OIG recruitment is not stalled or inhibited.

**Benchmark Area #6:  
POLICY MANAGEMENT AND UPDATES**

**Future State**

Amtrak OIG maintains and applies current, accurate and consistent policy across the office; has a process to monitor changes in the external environment that affect its work practices and a mechanism to incorporate those changes into internal policy; and makes all guidance easily accessible to staff.

**Observations and Discussion**

There is widespread recognition within Amtrak OIG of the need for standardized, quality policies and guidance, as well as greater structure and consistency in process. In response, OIG leadership hired a well-respected consultant to lead the development of high quality, standard Audit policies which are scheduled to be finalized in September 2010. Recognizing the need for heightened focus on policy, OIG also established a group last year to make policy development and enforcement an organizational priority.

Many interviewees reported that the IG and senior leadership have begun to communicate expectations around the role and value of standard policies. In benchmarked OIGs, draft policy is distributed for comment and refinement among managers in each functional area, adding contextual insight about how the policy relates to specific practices. For example, one OIG maintains a top-down/bottom-up process for policy development and updates. An AIG drafts the update or potential change to a standard work process, distributes it to field offices for review, collects the comments, and drafts the final update for final review approval. The policy is then distributed formally to all affected personnel with a signed instruction from the AIG to update the existing policy manual. However, lack of experience among Amtrak OIG managers and staff in standard IG practices makes it difficult to engage them in the process at this time.

Some interviewees mentioned that there is no process to actively monitor the external environment for potential policy updates, a mechanism that high functioning OIGs have in place. There, responsibility for monitoring and updating relevant policy lies with the functional areas and the IG maintains ultimate signature authority for setting policy. Functional leaders develop their own draft internal guidance, shepherd the review and approval process, and are responsible for scanning the external environment for updates to official guidance.

The function, roles, and responsibilities of the M&P group is unclear, some interviewees and survey respondents said. They noted a lack of communication and product coming from M&P, and raised concern that staff skills within the group may not be adequate. Benchmarking research indicates that while many OIGs maintain a policy group or administration function, these units generally serve as a policy repository and facilitator of process. AIGs or other senior leaders are responsible for issuing policy updates in their respective areas, once the IG has signed off. Content development usually resides with functional experts.



Amtrak OIG has not historically made its policies readily accessible to all staff via the secure subnet. In benchmarked OIGs, policy updates are formally communicated and made available on an Intranet site open to all OIG employees. Such practice supports consistency of work practices, adherence to common standards, transparency and effective communication.

Finally, some staff appear to be resistant to policy changes. There is a risk that the OIG's historical culture of limited communication may impede the collaborative and constructive dialogue critical to policy development and implementation.

## **Recommendations**

Note that many of the issues mentioned in this section align with observations noted under "Quality and Timely Work Processes" section.

### ***Quick Wins:***

27. Review recently developed policies at all-staff meetings, monthly AIG unit meetings, and other internal forums. Recently developed policies have been posted on the secure subnet, but not yet read or fully understood by most staff.
28. Develop tools and training that demonstrate the practical application of the policies; for example, an Agent Handbook for Investigators or step-by-step examples of well-executed audits.
29. Define the roles and responsibilities of the M&P group.

### ***Longer Term Recommendations:***

30. Clarify the roles of the functional groups (audit, investigations, and evaluation) and the M&P and Legal groups in the policy development and update process. In particular, there is a need to:
  - More clearly articulate the roles and responsibilities of the M&P group, and ensure that the jobs and skills of staff within the group are aligned with the group's responsibilities.
  - Define the working relationship and work flow between the functional leaders and M&P and Legal.
  - Engage managers and staff leaders in reviews of draft policies.

**Benchmark Area #7:  
HUMAN CAPITAL MANAGEMENT**

**Future State**

Amtrak OIG attracts and retains high-performing employees; has consistent job titles and job descriptions; and has in place training plans and performance management plans that link individual performance to OIG objectives.

**Observations and Discussion**

Virtually all interviews with OIG senior staff, Amtrak management and stakeholders emphasized the belief that the current skill set of many OIG employees do not reflect those required of a high-performing OIG. Two solutions identified were to hire new/additional managers with experience in the OIG community, and to immediately begin to develop current OIG employees so that they can more effectively carry out the responsibilities of the OIG. Interviewees consistently noted that the new IG's greatest challenge would be the development of staff.

This section contains observations in the following areas: training/technical skills development, recruitment, leadership development, employee performance management and recognition, consistent job descriptions and titles, mentoring and supervisor-employee relations, organizational responsibilities and rotation assignments, and cross-functional teams. This section is robust because the organizational assessment revealed that human capital management is one of the Amtrak OIG's most pressing areas of concern: the current skill sets of many Amtrak OIG employees are not adequate to perform the high-value, strategic work that the OIG offices needs to initiate to satisfy the needs of its stakeholders and there are not enough managers with strong supervisory skills and subject-matter expertise to train staff to do this work.

Training/Technical Skills Development

The leadership team and a majority of stakeholders noted a significant deficiency in essential skills critical to performing standard OIG job functions. There is deep concern that the OIG work does not reflect the high quality standards for which the OIG should be accountable. Interviewees, both OIG and stakeholders, noted that an organization-wide skill set inventory is needed to determine what specific skills staff do and do not possess, and that a robust training and recruiting program needs to be developed to address the skill deficits.

Senior team interviewees noted that the Amtrak OIG is developing and delivering "Audit 101," evidence, and report writing training to establish consistent baseline skills in the Audit and I&E units. OIG leadership and external stakeholders stressed the value of basic training for all staff to address current skill deficiencies, which include the application of Generally Accepted Government Accounting Standards (GAGAS), identification of evidence and findings, conducting surveys, documentation, and report writing. While these are the rudimentary components of effective OIG audit work, many employees are not proficient because these skills were not emphasized in the past.

In addition to lacking a baseline of knowledge on audit procedures, interviewees noted that staff could also benefit from training in each functional area to ensure consistent baseline knowledge throughout the organization, as well as training on skill sets required to be successful within the unique Amtrak OIG environment. Independent contractors are currently working on this initiative, and positive results from this training will be a welcome enhancement to the organization and to employees.

It was noted that a number of the Investigative staff are likely ineligible for essential Criminal Investigative Training Program at the Federal Law Enforcement Training Center. The physical and health limitations of many of the Investigative staff are likely to prevent them from successfully completing the training. Without this training, they cannot obtain law enforcement authority.

### Recruitment

Many OIG leadership and stakeholder interviewees noted that, in addition to offering training to the current OIG staff, the OIG would likely need to recruit experienced staff from the OIG community to fill new supervisory positions in each of the units, in order to implement and model industry standard processes, provide on-the-job training to the recently trained staff, and to add needed supervisory skills.

Nearly half of OIG interviewees saw salary ranges as a prohibitive factor when recruiting experienced staff, however. OIG's recruitment initiative was, until recently, impeded by Amtrak's salary guidelines which prevented OIG from offering compensation packages commensurate with the experience and training required. Amtrak OIG was unable to establish salaries using comparisons that were appropriate for OIG (i.e., other OIGs, GAO, accounting and auditing firms), which has made it difficult to attract highly-qualified candidates. Benchmarked OIGs noted that it is critical to attract and appropriately pay high-performing staff. With this issue now being addressed, this problem should be somewhat alleviated moving forward.

Several interviewees and survey data also suggest that the Amtrak OIG many have a significant impending attrition issue, and that recruitment and succession planning have not received the attention they deserve. Given a large number of retirement-eligible employees, an aggressive and competitive recruitment plan should be developed in anticipation of probable vacancies. Nearly one third of survey respondents identified "pending retirements and succession planning" as one of the biggest challenges for OIG's future, yet several interviewees said no management succession plan is in place. OIG has identified and prioritized key vacant positions in an effort to focus recruitment activities on immediate needs.

Once experienced staff are placed into supervisory and other key positions, many benchmarked OIGs noted that they have found it helpful to recruit younger employees into more junior roles. However, there is a belief among senior OIG staff that the Amtrak OIG has not attracted junior staff because of the work and approach have not been consistent with industry standards, the limited availability of development opportunities, and the fact that its retirement plan differs from the standard government retirement plan (e.g., it requires longer tenure for vesting). As a

result, OIG historically has recruited primarily from among Amtrak staff, a practice that creates risks regarding bias and independence, and limits access to new ideas and skills from the broader IG community.

All benchmarked OIGs note that it is important that the OIG clearly communicate expectations to all new hires, regardless of whether they are experienced supervisors or junior staff. One OIG conducts an orientation session every six months for new employees to ensure clear understanding of how the organization conducts its work. Another holds comprehensive orientation sessions for new hires, with presentations and instructions on writing OIG reports and other documents. IGs and their AIGs also meet individually with all new employees.

### Leadership Development

As technical skills improve and new hires are brought in, it is critical that the OIG has strong leadership at all levels to model appropriate work processes, provide on-the-job training, and hold staff accountable. Interviewees noted that recent attempts to define and clarify roles have been stalled due to a lack of strong leadership and supervisory skills within the units. Senior leadership interviews indicate that many managers do not possess management skills, do not know how to evaluate and communicate performance requirements, and do not know how to mentor staff.

Senior leadership, as well as other stakeholders, reported that there is no documented process by which supervisors review completed work products and provide feedback on the strengths and weaknesses. There are currently very few managers who can guide junior staff through an analytical assessment of the process or report. This means that errors tend to be repeated, and is a missed opportunity for improvement. It also puts the OIG at risk, as unidentified and repeated errors in accuracy and process can lead to considerable skepticism regarding the Amtrak OIG's capabilities and could threaten its long-term viability.

All of the benchmarked OIGs credited management and leadership skills at every level as a key element driving organizational accomplishment. While there were a variety of processes and mechanisms utilized, the common thread was willingness and initiative to communicate with staff the mission and goals of the organization, the strategy for achieving those goals, and how individual contributions connect to organizational success. Without engaged managers and leaders to drive these conversations, OIG currently will not have the necessary champions to make the transformation efforts now underway successful.

In many ways, lack of leadership is a deep-seated cultural issue that benchmarked OIGs suggest can be improved by standardizing and communicating expectations, having an effective performance evaluation and talent management processes, tracking and measuring training initiative impacts, and addressing organizational recruiting issues.

### Employee Performance Management and Recognition

Historically, the Amtrak OIG's individual employee evaluation criteria have not been clearly tied to organizational or individual performance, and they lack a consistent performance rating scheme. Some staff said the lack of differentiation in the system essentially creates a pass/fail

system, and leaves high-performing employees frustrated. There is suspicion among employees that some senior managers rate all staff members “highly competent” because any lower rating is perceived negatively. Additionally, many managers are not conducting interactive meetings with staff members to discuss their appraisals and work cooperatively to improve on deficiencies. This is a critical missed opportunity for employee development. The development of employee-specific development plans was also identified by several interviewees as a much needed improvement to the current performance management system.

With regard to compensation, guidelines established by Amtrak have in the past impeded OIG’s ability to reward performance monetarily. One benchmarked OIG reports tremendous value in rewarding high-quality work with monetary bonuses and extra paid time off. While the monetary rewards are relatively small, the impact is often immense. Similarly, there is no tradition of recognizing exceptional work or leadership through recognition ceremonies or other means at Amtrak OIG. Public recognition ceremonies are widely referenced by benchmarked OIG as having tremendous value for encouraging improvement and doing one’s best work. One OIG typically holds awards ceremonies in the main building, and provides a photo opportunity with the department’s top political leader whenever possible.

#### Consistent Job Descriptions and Titles

The Amtrak OIG has traditionally used what some have called a “hodgepodge” of job titles in the various units. These titles do not always reflect the type of work that is being done, and are not consistent across functional units. This situation has led to unclear expectations and disparate job responsibilities. Two OIG interviewees noted that inconsistencies in job titles across units led to difficulty in determining organizational responsibilities. Another interviewee noted that current job descriptions do not reflect the skill sets required for the position. It is also difficult to create an equitable performance appraisal process without a clear definition and understanding of minimum competency levels for each position.

It will be important to review and institute consistent job titles, supervisory levels, and expected range for the number of employees to be supervised throughout the organization. These basic components of each supervisory job description can then be customized to address function-specific skills sets, such as the unique requirements of Investigators or Auditors.

The lack of sufficient numbers of qualified human capital management support staff has hindered progress on this front, and has left the organization without clarity of job functions and responsibilities. Having engaged outside assistance for this purpose, we recognize that it is an area that OIG is appropriately focused on.

#### Organizational Responsibilities and Rotation Assignments

Amtrak OIG’s stove-piped insular culture has led to “hoarding” top performers. Currently, very few “stars” have been identified, causing further resistance to “give up” key talent. This means that high-potential, but under-challenged, staff are likely to stagnate in their offices with little leadership direction and no performance plan. Leadership team members have expressed interest

in establishing a system of rotational assignments to build skills across functional areas, and begin to identify staff with high potential.

### Cross-Functional Teams

As the Amtrak OIG moves towards the desired future state, it has recognized the value of cross-functional teams and recently established them to address specific issues (e.g., health care). These teams are common among OIGs with oversight responsibility for funds issued under the American Recovery and Reinvestment Act, as this effort requires prevention activities during the early phase and recovery activities once funds are awarded through contracts and grants. These OIGs employ a mix of auditors, evaluators, investigators and legal counsel who work together to first raise awareness and educate about fraud prevention, and later conduct audits. Larger OIGs have established standing cross-functional divisions that respond quickly to high priority issues; smaller ones have created teams only to address specific issues. These varied approaches have proved successful in many ways, including producing high-quality end products, enhancing communication across functional units, and improving working relationships among staff. However, benchmarking results indicate no best way to employ cross-functional teams.

Despite the potential value of cross-functional teams, recent efforts within Amtrak OIG have not met with great success. Survey results indicate that few staff members think they have been satisfactory (20 percent) or good/very good (12 percent). More than one-third rates their use as poor or very poor. Senior leadership concurs that these efforts have not been successful. Given the history of stove-piped operations, multiple internal communication challenges, internal competitiveness among managers, lack of well-understood and consistent work practices, and a culture of non-transparency, OIG does not have a solid foundation for such teams. It does not appear that the Amtrak OIG should actively pursue the development of cross-functional engagements until larger issues (such as baseline training, job descriptions, and supervisory relationships) are addressed.

### **Recommendations**

#### ***Quick Wins:***

31. Incorporate the development of a skills inventory into upcoming training delivery. Take advantage of upcoming opportunities to determine what employees know (and don't know), as training is launched.
32. Streamline the number of job titles, make job titles consistent across functional units, and develop standardized position descriptions that accurately reflect job requirements. For example, in Investigations, document and inform staff of the requisite training associated with law enforcement positions.
33. As new training initiatives are implemented, establish a tracking system to monitor employee needs and completion of coursework.
34. Continue to engage those employees who have participated in the benchmarked OIG interviews and give them ownership of process improvement ideas that have resulted from those interviews.

***Longer Term Recommendations:***

35. Conduct a comprehensive human capital needs assessment and develop a human capital plan. Areas of focus should include the following:
  - Competitive market salary guidelines;
  - Recruitment strategies;
  - Skills inventory development;
  - Position description development;
  - Performance management;
  - Recognition and reward programs;
  - Leadership training and development; and
  - Retention strategies
  - Succession planning
  
36. Establish processes for creating cross-functional teams and ultimately build them into its work planning process. This should take place only after improvements are made to human capital management, internal communication, work prioritization processes, and as working relationships become more effective within the office. As individual projects are planned and initiated, OIG should consider whether a cross-functional approach is warranted on a case-by-case basis.

## **Benchmark Area #8: PERFORMANCE MEASURES**

### **Future State**

Amtrak OIG has performance metrics that reflect the requirements of the Inspector General Act, meet the expectations of GAO and Congress, reflect the value of OIG work to Amtrak; and align with OIG strategic goals. These metrics are integrated into OIG's operating and performance management systems.

### **Observations and Discussion**

Amtrak leadership and benchmarked IGs indicated that effective performance measurement is an area that deserves continued attention and improvement. The latter recognize the importance of quantitative measures, yet note that some of the most meaningful measures are qualitative or subjective, such as agency views about how OIG added value to the agency or agency feedback on the quality of OIG recommendations. It can, however, be difficult to define and establish metrics for such measures.

Amtrak OIG's Strategic Plan 2010-2014 has six goals, desired outcomes for each goal, and many (indeed, too many) quantifiable and non-quantifiable measures. Particularly noteworthy is the deliberate link between OIG and Amtrak performance. For example, goals 1-5 list more than 50 outcomes that reflect potential improvements and impact on Amtrak operations. This list could effectively serve as a starting point for a conversation with the Amtrak Board and management about how OIG can most effectively contribute to organization-wide improvement. Goal 6 includes 23 measures classified as outputs and 27 measures classified as outcome measures. Though some are not directly measurable ("performance reviews are honest and effective") and others misclassified ("OIG employees are consistently high performers" is not an outcome), the list provides an excellent starting point for identifying the most critical measures related to internal OIG operations.

OIG leaders and staff recognize the importance of establishing performance metrics that reflect the value of their work. The majority interviewed suggested that OIG consider traditional quantitative measures (e.g. potential dollar savings from audit recommendations), additional output measures reflecting work done to prevent or avoid waste/fraud/abuse (e.g. number of Amtrak staff trained in fraud detection), and qualitative measures of impact (e.g. changes in stakeholder opinion surveys regarding the effectiveness of OIG). These suggestions may not be directly measurable (except through opinion surveys), but they indicate receptivity to new ways of thinking about OIG impact and how to measure it.

Consistent with benchmarked organizations, OIG leadership and staff also recognize the need to consider Amtrak perspectives as part of performance measurement. Several survey respondents suggested that OIG solicit stakeholder feedback to assess the process and quality of OIG recommendations.



Notably absent is a system to track standard OIG performance measures and regularly monitor key measures of progress toward strategic plan goals. The plan sets the stage for moving OIG forward and the recommendations in this report identify managerial and operational improvements required to drive change. It will take time to design and effectively implement, but a performance measurement system is critical not only to determine whether goals are accomplished but also to support expectations for accountability and transparency.

It should be noted that, while everyone recognizes the need and value of performance measures, the OIG has a culture of limited accountability, at both the organizational and employee level. The most powerful organizational performance measures are usually incorporated into individual performance management systems. However, since OIG staff are not accustomed to having deadlines, meeting quality standards, and being held accountable for delivery of high-quality, timely work, it will take time to develop and implement accountability at the individual or organizational level. Performance measures need to be established and tracked, yet some employees may lack the motivation or skills to work up to the new measurements.

## **Recommendations**

### ***Quick Wins:***

37. Establish a process to track, on at least a quarterly basis, the metrics that all OIGs must report.
38. Start the process of engaging Board members and Amtrak leadership in a discussion about how to measure value of OIG work in a meaningful way; this can also serve to educate them about the type of work that the office will be doing and how interactions should occur.

### ***Longer Term Recommendations:***

39. Engage the Amtrak Board and senior leadership in an ongoing dialogue about how the OIG can effectively measure the value and impact of its work, and cooperatively identify qualitative and quantitative performance measures. These measures should be used along with standard OIG measures to capture the value of the work performed.
40. Identify the most critical managerial and operational performance objectives and track their achievement using key performance measures. This should include development and implementation of a performance tracking system for key measures related to accomplishment of OIG's goals, including outcome and output measures. These measures should be monitored and discussed by senior management on a regular basis, and used as a tool for setting work priorities and making resource allocation decisions. OIG also should consider defining measures that support its change initiative.
41. Incorporate key organizational performance measures into its individual performance management system.

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## **A PATH FORWARD**

The National Academy of Public Administration appreciates the opportunity to work with the leadership of Amtrak OIG on this important effort to reinvigorate and modernize its operations. Given the progress made to date, as well as OIG's clear desire to make further progress and build support among the organization's stakeholders and peer community, the Panel believes that OIG can and will succeed in this endeavor.

The Panel has made 41 recommendations for OIG leadership, which are all listed throughout the report and below. In so doing, we recognize that all these recommendations cannot all be undertaken simultaneously. Progress in some areas will depend on other changes, while some changes are more time critical. The Project Team looks forward to discussing these recommendations in greater depth with OIG leadership, and to developing roadmaps for the priority recommendations as part of Phase Two of the project.

### **Internal Communications**

#### ***Quick Wins:***

1. Institute regular top-down communication practices, including a monthly email to all staff that highlights on-going work, employee achievements, and OIG successes.
2. Conduct regularly scheduled (at least monthly) AIG unit meetings to discuss new work and progress on current work, emerging issues, current events, etc. The IG and/or Deputy IG should attend these meetings on a rotating basis. In addition, the IG/Deputy should attend meetings at which the AIG and his/her staff will be making critical go/no-go decisions regarding ongoing work, so that staff recognizes such milestones are important and that leadership is engaged in the newly developed Audit processes.
3. Hold at least two all-staff meetings per year that include an opportunity for staff to make presentations, ask questions of leadership, and recognize high-performing employees.
4. Develop mechanisms to allow OIG staff to give feedback to management.

#### ***Longer Term Recommendations:***

5. Make more effective use of technology and face-to-face meetings to strengthen internal communications and build a culture of transparency and information sharing. It should explore the following mechanisms to do so:
  - Create and actively populate an Intranet site (secure subnet) with report and process information that will enable more productive and efficient workflow.
  - Contribute to Amtrak's monthly internal publications to communicate about OIG work efforts and celebrate staff successes and milestones.
  - Develop visual dashboards and representations of ongoing work to communicate the status of organizational activities.

- Have senior leadership conduct a number of field visits and divisional staff meetings annually.
- Adhere to a regular schedule of senior staff meetings and office-wide meetings, utilizing video conferencing capability if possible.
- Build a measure regarding internal communication and information sharing into employee accountability plans.

## **External Communications**

### ***Quick Wins:***

6. Develop a practical, “applied” definition of independence and a succinct statement of the benefits and value of an independent OIG for use with the OIG staff, Amtrak Board of Directors, and Amtrak Senior Management. This would serve to clarify the nature of OIG’s work and help build support for its transformation.
7. Once new work processes are established this fall, OIG leadership should meet with both Amtrak and Congressional stakeholders to brief them on the new processes, and let them know how and when each of them can expect to receive updates, be part of an official comment period, and/or receive information and reports.

### ***Longer Term Recommendations:***

8. Establish standard procedures for reporting to external stakeholders. It should carefully develop a manageable list and schedule of regular updates (both oral and written), examples of which may include the following:
  - Develop a standard reporting instrument and structure for congressional stakeholders.
  - Author a monthly column in the Amtrak newsletter. (This does not have to be authored by the IG each month; AIGs, project leaders and other staff could contribute.)
  - Provide regular written updates to the Amtrak Board to supplement meeting presentations; these could also be sent to management and Congress to promote transparency.
  - Establish protocols for communicating with the Board, management and congressional staff, utilizing key technology resources.
  - Significantly improve the OIG website to create a user-friendly and informative tool for communicating about OIG activities and results.
9. Develop and conduct “OIG 101” training sessions. OIG and Amtrak staff, some members of Amtrak senior management, and the Board of Directors could all benefit from a practical presentation that explains what it means to interact with an independent OIG, including examples of “good” and “bad” interactions.

## **Work Planning and Prioritization**

### ***Quick Wins:***

10. Create a means to identify and close out all low-priority OIG work by the end of this fiscal year. One approach would be to require all staff to submit to their AIG an inventory of all open projects under their purview, including the date the project was initiated, the current status, the staff assigned to the project and estimated staff time required to complete the work, and the projected completion date. If the projected completion date is after October 1, 2010, the project lead should provide a written justification as to why the work should not be terminated.
11. Discuss areas of perceived risk with the Amtrak Board and management, with the goal of identifying issues to be addressed in the annual OIG work plan for the coming fiscal year.
12. Hold an extended (potentially offsite) meeting of senior staff from headquarters and field offices, AIGs, and senior OIG leadership to discuss and finalize the upcoming year's priorities.
13. Institute a twice-yearly meeting among all AIGs and Amtrak senior team members to discuss any areas of concern regarding OIG/Amtrak interaction, as well as perceived or emerging risks to the corporation.

### ***Longer Term Recommendations:***

14. Develop a comprehensive work prioritization plan, including interim operational milestones and a communications plan, that will launch in Fall 2011. The plan should result from a process that is owned by the senior management team, includes OIG staff and stakeholder input, and applies risk factors and criteria to prioritize work. It will also be important to develop and implement a communications strategy for the work plan that is undertaken in fall 2010. Staff should understand that the formal work prioritization process will be launched in fall 2011, but interim steps are being undertaken to ensure continued progress. Ultimately, the annual work plan must be clearly aligned with the OIG's Strategic Plan and Human Capital Plan.

## **Quality and Timely Work Processes**

### ***Quick Wins:***

15. Ensure that productive, engaging training on the newly developed policies and procedures for Audit and I&E occurs this fall.
16. Require and provide basic written instruction to all OIG employees to utilize the appropriate electronic project management system, so that data can be documented and project progress can be assessed.
17. After training is completed, identify a number of audits or other work that can be completed within a relatively short time period (e.g., 120 days). This work can provide indicators of whether employees understand and are adhering to the new policies; it will also provide the benefit of being able to provide finished work products to share with Amtrak, the Hill and OIG staff in the relatively near term.

18. Find any and all opportunities to celebrate products of the improved work processes and training. Recognize strong employees and report success. Provide examples of “good reports” and models of behavior going forward.
19. For Investigators, establish a deadline by which they must meet Attorney General Guidelines to carry firearms and carry out law enforcement actions, and create a plan of action for those who are unable to meet the required standards.

***Longer Term Recommendations:***

20. Continue to place priority on developing internal policy and guidance, and pay special attention to defining how Yellow Book standards will apply to audits and evaluations. Many of the basic principles apply to both types of work. Efforts should also continue to codify internal guidance on investigative practices. This work deserves priority attention, as the positive improvement of the office depends heavily upon having these solid foundations of policy and guidance.
21. Ensure compliance with internal policy and guidance once they are developed. Specific approaches include the following:
  - Make the guidance and tools easily accessible. Devote resources to host and maintain policies and procedures on an OIG Intranet site, with access open to all OIG staff for easy reference.
  - Require that all staff members use TeamMate and AIMS in accordance with the underlying policy’s intended goals. Centrally manage customization and training to ensure a unified approach.
  - Develop and execute a training plan for staff in basic office processes and practices. Conduct the training shortly after finalizing the guidance to expedite the transition to a consistent work approach.
  - Monitor application of standards and hold managers and staff accountable for following the policies and procedures on a regular basis, as well as in annual performance reviews. Employ a routine, “dashboard-type” progress report against work plans, and a consistent quality assurance review process to reinforce adherence to standards in methods and final products.
22. Consider whether field offices should be relocated, eliminated or staffed differently, in light of new OIG work flows, supervisory relationships, and project staffing. Ensure that each OIG field office can operate cost-effectively: that it has adequate work to perform; its location is consistent with the work that OIG needs to be performed; it has a critical mass of employees to perform the necessary work; and it has a supervisor who has an appropriate number of employees to manage, as well as the experience and skill set to provide employees with the necessary guidance and supervision. In some cases, field offices may need to be consolidated and/or supervisors may have to be hired.

## **Independence**

### ***Quick Wins:***

23. Continue to have conversations with Amtrak management and the Board about its role and resolve issues as they arise (e.g., Amtrak salary guidelines for OIG employees).
24. Request an informal CIGIE consultative review to confirm that the policies and procedures agreed to by management and the IG are being consistently implemented. Doing so could help to ensure that OIG is on track to pass the follow-up review next year.

### ***Longer Term Recommendations:***

25. Use the recently developed relationship policy to educate all stakeholders about the roles and responsibilities of OIG and Amtrak. In addition, OIG should develop a practical, applied definition of “independent yet transparent”.
26. Work with Amtrak management and Board to eliminate Amtrak-imposed restrictions on OIG’s use of funds, hiring actions or other resources that may adversely affect OIG’s ability to fulfill its responsibilities. For example, the Panel recommends that OIG’s relationship with Amtrak Human Resources be reviewed and redefined so that OIG recruitment is not stalled or inhibited.

## **Policy Management and Updates**

### ***Quick Wins:***

27. Review recently developed policies at all-staff meetings, monthly AIG unit meetings, and other internal forums. Recently developed policies have been posted on the secure subnet, but not yet read or fully understood by most staff.
28. Develop tools and training that demonstrate the practical application of the policies; for example, an Agent Handbook for Investigators or step-by-step examples of well-executed audits.
29. Define the roles and responsibilities of the M&P group

### ***Longer Term Recommendations:***

30. Clarify the roles of the functional groups (audit, investigations, and evaluation) and the M&P and Legal groups in the policy development and update process. In particular, there is a need to:
  - More clearly articulate the roles and responsibilities of the M&P group, and ensure that the jobs and skills of staff within the group are aligned with the group’s responsibilities.
  - Define the working relationship and work flow between the functional leaders and M&P and Legal.
  - Engage managers and staff leaders in reviews of draft policies.

## **Human Capital Management**

### ***Quick Wins:***

31. Incorporate the development of a skills inventory into upcoming training delivery. Take advantage of upcoming opportunities to determine what employees know (and don't know), as training is launched.
32. Streamline the number of job titles, make job titles consistent across functional units, and develop standardized position descriptions that accurately reflect job requirements. For example, in Investigations, document and inform staff of the requisite training associated with law enforcement positions.
33. As new training initiatives are implemented, establish a tracking system to monitor employee needs and completion of coursework.
34. Continue to engage those employees who have participated in the benchmarked OIG interviews and give them ownership of process improvement ideas that have resulted from those interviews.

### ***Longer Term Recommendations:***

35. Conduct a comprehensive human capital needs assessment and develop a human capital plan. Areas of focus should include the following:
  - Competitive market salary guidelines;
  - Recruitment strategies;
  - Skills inventory development;
  - Position description development;
  - Performance management;
  - Recognition and reward programs;
  - Leadership training and development; and
  - Retention strategies
  - Succession planning
36. Establish processes for creating cross-functional teams and ultimately build them into its work planning process. This should take place only after improvements are made to human capital management, internal communication, work prioritization processes, and as working relationships become more effective within the office. As individual projects are planned and initiated, OIG should consider whether a cross-functional approach is warranted on a case-by-case basis.

## **Performance Measures**

### ***Quick Wins:***

37. Establish a process to track, on at least a quarterly basis, the metrics that all OIGs must report.
38. Start the process of engaging Board members and Amtrak leadership in a discussion about how to measure value of OIG work in a meaningful way; this can also serve to



educate them about the type of work that the office will be doing and how interactions should occur.

***Longer Term Recommendations:***

39. Engage the Amtrak Board and senior leadership in an ongoing dialogue about how the OIG can effectively measure the value and impact of its work, and cooperatively identify qualitative and quantitative performance measures. These measures should be used along with standard OIG measures to capture the value of the work performed.
40. Identify the most critical managerial and operational performance objectives and track their achievement using key performance measures. This should include development and implementation of a performance tracking system for key measures related to accomplishment of OIG's goals, including outcome and output measures. These measures should be monitored and discussed by senior management on a regular basis, and used as a tool for setting work priorities and making resource allocation decisions. OIG also should consider defining measures that support its change initiative.
41. Incorporate key organizational performance measures into its individual performance management system.

## **Appendix A Content Analysis OIG Senior Staff Interviews**

### **INTRODUCTION**

The Academy Study Team conducted 17 one-on-one interviews with the OIG Executive team and other suggested OIG staff members, notably those who participated in the development of the FY 2010-2015 Strategic Plan. The purpose of senior staff interviews was to obtain perspectives regarding OIG key internal functions, work processes and policies, organizational structure, communication processes, and organizational culture and climate. All interviewees were assured that comments would not be attributable to any particular individual.

This report contains a summary analysis of the comments that were made by the Amtrak OIG senior staff members. The interviews were guided by a framework of questions that addressed three areas:

- OIG core strengths;
- Areas in need of improvement; and
- Service/value to stakeholders.

The same framework was used in this report to aggregate the interviewees' comments.

### **SUMMARY**

Amtrak OIG has a group of dedicated staff who are committed to improving the quality of their work. Interviewees expressed confidence that, under the new OIG leadership, the OIG is heading in the right direction; some also expressed frustration that staff received minimal communication as to what the new direction will entail. Interviewees pointed out that, in order to improve the quality of OIG work, staff need to be trained on the skills and knowledge-set required to conduct the higher-value work that will achieve greater impact. Almost all interviewees agreed that the OIG should focus its work on “big picture” or strategic issues affecting Amtrak, and emphasized the desire for more structured work processes that follow professional standards. Many interviewees referenced a highly “stove-piped” organization with minimal teamwork, suggesting a deep need for more effective internal communications. Independence was a concern, and interviewees recognized the danger of the OIG’s past participation in Amtrak management’s decision-making process. Interviewees agreed that it is critical that the OIG develop well-defined processes and roles and responsibilities, and also build positive stakeholder relationships.

### **CORE STRENGTHS OF THE OIG**

At the beginning of the interviews, members of the senior staff were asked to focus on the positive attributes of the organization and to identify the core strengths of OIG. “People” and “the new leadership” emerged as the main themes. However, only a few interviewees offered substantive elaborations on their answers.

*People*

The people within OIG were identified as the biggest asset of the organization by almost all of the interviewees. Most believe that:

- The OIG is fortunate to have a dedicated team of professionals who have a deep knowledge of railroad operations and are loyal to both Amtrak and the OIG.
- Most staff would be receptive to receiving training..

*New Leadership*

A strong majority of interviewees identified the new leadership as a core strength. People agreed that strong, unified senior leadership is critical for the organization's success. Illustrative responses included:

- The new leadership has demonstrated the ability to make the office productive, and they are in the process of improving the OIG's relationships with Amtrak and Congress. The OIG is on the right track.
- The reorganization (the establishment of the Deputy IG position and the separation of the Investigations group and the Legal group) has been generally well-received by the OIG staff.

**WHAT'S NOT WORKING**

When asked about needed areas for improvement within the OIG, interviewees provided a wide range of responses. Major themes that emerged were focused on the following areas:

- Culture and climate
- Types of work initiated and conducted
- Standardization of work processes
- Human capital management
- Communication
- Strategic planning
- OIG independence
- Organizational structure
- Leadership

*Culture and Climate*

Cultural issues were mentioned by almost every interviewee. Example responses included:

- The organizational culture of the OIG has been deeply "stove-piped."
  - There were very few relationships among the Audit, Investigations, and I&E groups at either headquarter or field levels.
  - There has been - and continues to be - a "turf-war" dynamic in the office; senior managers compete for resources and have not been encouraged to work together.

- Cross-functional teams might be a good way to build cooperation and teamwork in the organization. OIG has used some cross-functional teams in the past (e.g., the health care unit), but it was apparent that staff did not have strong communication even when they were on the same team.
- OIG staff tended to operate under a veil of secrecy and did not want to share information with Amtrak. OIG staff did not understand the difference between being transparent and independent.
- There continues to be resistance to changes in the organization. People do not know what the senior leadership team's plan is for the OIG, and are thus very concerned with their job security.
- Due to a lack of standard processes and deadlines, managers did not hold staff accountable for their work; on the other hand, staff was not eager to be held accountable.

### *Type of Work*

A majority of interviewees pointed out that the types of issues being audited, inspected, and investigated needed to be redefined in order to focus on higher-level issues affecting Amtrak. Examples included:

- Audit:
  - OIG has been performing internal audit/control functions for Amtrak by conducting station audits, railroad audits, and vendor audits. The company should not rely on the OIG to provide these internal control functions, and they should be fully transitioned to Amtrak. The OIG audit group would then be able to conduct performance audits (vs. compliance audits) that will prove more impactful to Amtrak.
  - There has been no coordinated, centralized process or criteria for identifying appropriate audits; the decision to initiate an audit has historically been made in a bottoms-up manner and was not centralized or coordinated to ensure that the right issues were being examined. The OIG needs to develop an annual audit plan that will identify priorities for the coming year, yet maintains the flexibility to respond to urgent needs on a real-time basis.
- Investigations:
  - A large number of investigative cases were initiated at an individual level, and did not address more impactful, big-picture fraud.
  - There have been no consistent standards and procedures established for opening (or closing) investigative cases.
  - The hotline has been the primary source to receive fraud complaints, but it has not been adequately staffed so that tips could be appropriately addressed.
  - The Investigations group should be more proactive in order to identify impactful, big-picture company fraud. Once Investigators are trained on how to identify fraud, they could in turn provide the fraud awareness training to Amtrak employees, so that Amtrak employees can identify fraud indicators.

*Work Processes*

A need for improvement in work processes was another frequent response. Interviewees noted that the processes that support the work of the functional units needed to be better defined so that resources can be properly aligned and final reports can be standardized at a consistent and high level of quality. A desire for more structured processes and quality control clearly emerged. Key issues related to work processes included:

- The audit process has not complied with professional standards (e.g., Yellow Book). Audits should be completed in a timely manner (e.g., have established deadlines) and should be fact-based (e.g., have a set of quality control criteria that need to be met).
- The Investigation group has not followed standard procedures (e.g., they would conduct interviews without appropriate warnings to Amtrak employees). Investigators need to follow the Quality Standards for Investigations.
- The I&E group has produced some high-quality products, but these reports also did not follow consistent standards, primarily because the staff in the group were not familiar with what standards needed to be followed.
- There has not been a process to implement or track OIG recommendations. People are hopeful that the new Amtrak audit liaison will help track and follow-up on OIG findings and recommendations.
- Technological tools such as TeamMate for auditors and AIMS for investigators are not widely used by OIG staff. Staff should use the system so that progress can be tracked.

*Human Capital*

Human Capital was mentioned by most of the senior staff interviewed. Typical comments are provided below:

- Knowledge, skills, and training issues.
  - In the Audit group, staff was not trained as to the type of audits that should be initiated, as well as the standards that should be followed throughout the auditing process. Everyone in the audit group (including senior directors) has been asked to undergo basic audit training.
  - The majority of the investigation staff do not have law enforcement authority, and it is important that they receive the basic federal training to become federal investigators. However, some people may not be able to take or pass the training due to physical limitations.
  - It is important to develop expertise in different areas. For example, it has become increasingly important for investigators to receive specialized training in accounting, auditing, procurement, and white-color crime.
  - The OIG has a number of staff members with highly-specialized knowledge about the railroads (the I&E group in particular), and sometimes it has been difficult for these specialists to take on the jobs outside their areas of expertise. While this railroad expertise is valued, the OIG should also develop generalists with strong audit and investigative skills.

- OIG staff need to be trained to develop stronger writing, editing, and communication skills
- The organization is at risk of losing valuable institutional knowledge about railroad operations within the next few years due to impending retirements.
- Administrative challenges.
  - OIG has a large number of senior employees who are nearing retirement, but there is not a succession plan in place.
  - OIG has not effectively managed its workforce development function.
  - There are currently too many job titles and no standardized job descriptions, as well as an unclear supervisory chain or career progression plans.
  - Employee evaluations have historically been rarely tied to employee performance. OIG had an across-the-board salary increase in the past several years, and there was no differentiation for or recognition of high-performing employees.

### *Communication*

Communication practices were identified as a priority area for the OIG. Most of the interviewees recognized the importance of improving both internal and external communications.

- Internal Communication
  - There was limited top-down communication, so rumors spread quickly within the organization. There has not been a structured process by which OIG senior leadership routinely shared information with staff members.
  - Many interviewees mentioned that it has been helpful to have the all-hands meeting, the all-staff memo from the leadership, the weekly senior leadership team meeting, etc. Continued communication – both formal and informal – among all levels of the organization would be valued.
  - It is necessary to explore additional ways to build internal communications. However, people also realized that simply having these channels in place is not sufficient to ensure effective communication.
  - There was very limited communication among the Audit, I&E, and Investigations groups; communications within the groups and between field offices has been limited, as well.
  - There are minimal automated systems, and those that exist are not well used by OIG staff.
- External Communication
  - OIG staff need to better communicate with Amtrak employees about the information needed and the work being conducted by the OIG, without divulging sensitive information. There needs to be more transparency between OIG and Amtrak in order to build trust.
  - The website is an important tool for OIG external communication, but the current OIG website is not strong.
  - OIG leadership is spending time up on the Hill and is improving these relationships.

### *Strategic Plan*

Some senior staff offered comments on the development of the new OIG strategic plan.

- Given the time constraints, the strategic plan is a good product. However, there was not a strong, underlying development process in place that could be replicated.
- The strategic plan was developed by a group of mid-level staff members, and the senior team was not much involved in the development process.
- OIG did not perform its own risk assessments before developing the plan.
- There was only very limited follow-up discussion on the strategic plan within the organization. People likely do not understand how their work, on a day-to-day basis, relates to the strategic plan.
- OIG needs to develop annual work plans and performance plans that are linked to the strategic plan.

### *Independence of the OIG*

During the interviews, many concerns were raised related to the OIG independence issues. Interviewees noted that:

- OIG was too involved in the management decisions of Amtrak and participated in the company's decision making process.
- Conflicts of interest may arise when the OIG hires former Amtrak employees. OIG has a number of people (particularly in the I&E group) who used to work at Amtrak.
- OIG used to completely rely on Amtrak for funding.
- OIG relies on the company for HR management and parts of its IT system, which has presented some issues relating to timely access of new hires to emails and delays in hiring.
- Education about the role of the OIG and boundaries that may or may not be crossed would be helpful for both OIG and Amtrak staff.

### *Organizational Structure*

The organizational structure of the OIG was mentioned by a few interviewees. Comments included:

- It is difficult to develop and maintain consistent processes and communication, as there are a number of field offices with minimal staff.
- There is a lack of clarity on the responsibilities of the Management and Policy (M&P) group, and the M&P group is comprised of people whose skills are not consistent with the needed M&P functions.

### *Leadership*

A few interviewees offered comments on leadership issues.

- OIG staff were performing the work that past leadership directed them to do, so past problems evolved from leadership's direction (at both the senior level and mid-level) and was not necessarily the result of weak staff.

- The new OIG senior leadership is valued. However, broad-based leadership training, including communication skills, would be helpful for certain members of the current leadership team.
- Mid-level leadership needs to share staff and resources and not “hoard” high-performing employees.

### **How Difficult Would These Changes Be?**

In general, people believe that some of these changes would be relatively easy to make, given the commitment of the leadership. .

That being said, most senior staff interviewed agreed that cultural and communication changes would be the biggest challenge. It would take a time for OIG staff to embrace the new type of work that the OIG needs to do, and to build trust and transparency with its stakeholders. It is believed that, while most staff will welcome the opportunity to do high-quality OIG work, some staff may be resistant to the change.

### **SERVICE/VALUE TO STAKEHOLDERS**

One of the strongest concerns that came out during the interviews was the need to improve relationships between the OIG and external stakeholders. One of the OIG’s goals in the new strategic plan is to establish collaborative relationships and regular communications with Amtrak management, the Amtrak Board of Directors, Congress, and other stakeholders. Most noted that they believe relationships have been greatly enhanced since the new leadership came on board, but there is still room for improvement.

#### *Amtrak*

- The current IG is working hard to establish a good relationship with Amtrak management, and is having regular meetings with the Amtrak CEO.
- The new relationship document is a good start toward building a cooperative relationship between Amtrak and the OIG. However, both OIG staff and Amtrak management need to have an ever more clear understanding of the OIG role, how they will interact with one another, and how the IG will operate his office going forward.
- Amtrak management is pleased that the IG office wants to take on higher-value work that would generate significant impacts on Amtrak operations.

#### *Amtrak Board of Directors*

- It is believed that the Amtrak Board thinks that OIG staff used to go beyond the scope of an OIG’s roles and responsibilities, and was too involved with day-to-day Amtrak management.
- It is believed that the relationship, trust and communication between OIG and the Board are improving, while independence is being maintained.



*Congress*

- The interactions between Congress and the OIG used to be very limited.
- Congress was concerned with the independence of the IG office, and required Amtrak to develop proper procedures with the OIG to ensure the independence of the IG office.
- There is a perceived value in having the IG and Deputy IG develop strong relationships on the Hill.

*The IG Community*

- Amtrak OIG has been disconnected from the IG community and is not familiar with industry “best practices.”
- It is perceived that the Amtrak OIG does not a good reputation in the IG community, so OIG morale is low.

### OIG Senior Management Team and Key Senior Staff Interviewed

Ted Alves	Inspector General
Colin Carriere	Counsel to Inspector General
Bret Coulson	AIG, Management & Policy
Calvin Evans	AIG, Inspections & Evaluations
Jerry Gideon	Senior Director, Management & Policy
John Grimes	Chief Inspector
Tom Howard	Deputy Inspector General
Alan Klein	Senior Director, Audits
Dan Krueger	Senior Director, Audits
Katherine Moore	Audit Project Supervisor
Phil Ong	Director, I&E
Joe O'Rourke	Regional Special Agent-in-Charge
Nick Pinto	Acting AIG, Audits
Kathleen Ranowski	Deputy Counsel
Adrienne Rish	AIG, Investigations
Sue Ryan	Principal Officer/HCM
Catherine Smith	Chief, Inspections & Evaluations

## **Appendix B Content Analysis OIG Stakeholder Interviews**

### **INTRODUCTION**

The summary offered below is drawn from a content analysis performed on the detailed notes captured in 22 interviews with key Amtrak OIG stakeholders.

The interviews focused on the following areas:

- Their perceived value and impact of OIG;
- Things they need (gaps) or need more of from OIG;
- Approaches for productive engagement of stakeholders by the OIG;
- Independence of the OIG; and
- Measuring OIG performance.

While not every interviewee was asked every question (due to lack of relevancy), all five themes were covered in each interview.

### **SUMMARY**

The stakeholder interviewees were very consistent in their responses to certain questions, such as how they viewed OIG, the nature of weaknesses within the OIG, and suggested performance measures. Almost everyone had an optimistic view of the direction in which Amtrak OIG is currently moving, given the new leadership. Interviewees acknowledged a need for change and specifically a need for improved levels of OIG independence. A more structured, consistent approach to conducting and communicating OIG activities was very highly prioritized by interviewees. The value of an Amtrak OIG as an entity distinctly separate from the Department of Transportation (DOT) IG was not completely clear to all interviewees, and stakeholders are not certain that the OIG has the skills sets needed to complete all necessary facets of the Amtrak OIG's work.

### **VALUE AND IMPACT OF THE OIG**

Interviewees were asked what value OIG brings to their organizations, and the impact of OIG's work. Respondents greatly value the external, independent view OIG offers, noting that it adds objectivity and validation not otherwise available. The OIG has also offered insight into best practices, which has been highly valued by Amtrak staff. Discussion about the value of the OIG identified examples of deficiencies, as well as examples of activities that the interviewees would like to see increased. The following reflects the responses to specific questions about OIG's value to stakeholders.

*Impact of the OIG*

When asked “what is the impact of OIG’s work on your organization?” interviewees stressed the importance of independence, and the need for the OIG to detect big picture trends and offer a broader perspective. Interviewees tended to approach the question from one of two perspectives: how an OIG can potentially offer value and impact in general; and/or how the current Amtrak OIG provides value. Representative responses included:

*General Value of an OIG Function*

- Identifying emerging issues before they develop into real problems.
- Delivering fact-based reports that do not reflect personal bias.
- Connecting the dots between units, since the OIG has the perspective to detect high-level trends.

*Amtrak OIG’s Value*

- The OIG was able to recommend ways to ensure the most efficient use of federal funds.
  - For example, suggesting Amtrak apply to FRA for waivers so that they would not lose stimulus funding that needed to be spent within a specific timeframe.
- Amtrak staff appreciates that the OIG has helped them identify and translate best practices in managing infrastructure assets.
  - For example, OIG went to France and Spain and developed a report comparing Amtrak with other high speed rail operations.
- Particular reports produced by the audit department have provided useful, straightforward assessments of Amtrak operations (while others have not).

**GAPS AND NEEDS**

When interviewees were asked “what do you need more of from the OIG” and were asked to discuss the shortcomings of the OIG, respondents stressed the need of the OIG to pursue “high value” audits and investigations and to *not* participate in management decisions. Stakeholders also want a more comprehensive approach to information sharing.

*Amtrak Senior Management Perspective*

- The OIG should not be in the “gotcha business” – it would be helpful if the OIG could provide constructive criticism and feedback that allows for a forward-leaning improvement plan, as opposed to waiting long periods of time for a report to be issued.
- Management would welcome the opportunity to give input to the OIG about their perceptions of high-risk areas, realizing that management would only be giving input to the OIG and that all decisions and reports would be at the final decision of the OIG.

Amtrak management is aware of many of their risks and would welcome the OIG involvement in monitoring these areas of high-risk.

- Amtrak management has uncovered issues in the past which they believe should have been identified by OIG; there have been questions in the past such as “why didn’t the OIG catch this?”
- Perception is that the OIG has operated too much in a vacuum and has not been looking into the right things.
- The quality of work produced by the OIG has been very inconsistent.
- The I&E group was too involved in the day-to-day management of Amtrak. Despite great intentions, the OIG staff were crossing a decision-making boundary that should not have been crossed.
- OIG staff needs to have relevant training and skill sets to do quality, standardize audit work; institutional knowledge of Amtrak is not enough.
- Amtrak staff are not clear about the role of an OIG, what they should expect from and how they should interact with them. Education for all Amtrak staff about OIG roles would be helpful.
- It is a difficult balance for Amtrak to be transparent as a federal agency, yet maintain competitiveness as a private company at the same time.
- There is a need to adjust the perception that the OIG is only really important or needed when the company is in trouble. The OIG can provide constructive feedback, and an opportunity to learn how to do better.
- The company does not have experience in dealing with the OIG in a productive, constructive manner, but welcomes the opportunity to do so.

*Board Member Perspective*

- The Board of Directors is generally satisfied with the communication and information it is receiving from the IG. However, it was suggested that the IG could have more quality time on the agenda at the monthly board meetings.
- There is a perception that some Board members, while deeply experienced in government, may not have strong Board/governance experience. It might be useful for Board members to receive regular governance training (vs. programmatic training of Amtrak operations), including how to interact with an IG.
- There is the perception that there are individuals within Amtrak OIG who have close relationships with individuals on the Hill, and have leaked damaging information about Amtrak to the Hill.
- Board members believe that processes within the OIG need to be standardized, so that OIG staff can understand what their job is and do quality work.
- Board members understand that changing culture can take time.

*Congressional and Other External Stakeholder Perspective*

- It is not always clear what value Amtrak OIG brings that could not be provided by the DOT IG.
- The Amtrak OIG needs to engage Congress in a meaningful, proactive, and transparent way.

- In the past, the former IG did not share information regarding potential issues soon enough and this made it harder for Congress to address issues.

## **PRODUCTIVE ENGAGEMENT OF STAKEHOLDERS**

### *Stakeholder Needs*

When asked what they need more of from the OIG, almost all stakeholders expressed a need for greater, more coordinated communications. Communicating areas of perceived risk and the business case for future activities were mentioned numerous times. Additionally, it was repeatedly suggested that the IG engage external stakeholders more comprehensively and maintain a productive dialogue to ensure that expectations are being met.

Virtually all interviewees expressed a desire for improved communication processes with the OIG. The benefit of consistent and predictable communications was stated often, and examples of why communication is so integral were shared frequently. Anticipated benefits include less redundancy and more effective problem solving at multiple levels. Examples included:

### *Key Issues Regarding Communication*

- There has been a good deal of communication about how the OIG will change its practices going forward. While this talk about how things will be done differently going forward is a good starting point, the real change will come when OIG reports under the “new regime” start being initiated and produced.
- The OIG needs to demonstrate how OIG work can improve efficiency and provide value to Amtrak. Demonstrating this value, and a cooperative, constructive nature of work, will alleviate the Amtrak staff fear currently associated with the OIG.
- As part of a strategic planning/annual planning process, the IG could have conversations with the Board of Directors and with Amtrak leadership about perceived risks, without compromising independence. The IG could get input, but would maintain the final decision-making authority.
- In the past, OIG staff have launched an audit without a formal introduction or information request to Amtrak, and then just disappeared for 6 to 8 months without any reporting or communication.
- The IG needs to share his perception of prioritized risk, and share more details about why things are being done. Presenting a purpose for a review or a business case for completing a strategic plan provides more clarity to stakeholders.
- The IG has been meeting regularly (and separately) with the Amtrak Chief Executive Officer and the Amtrak Board Chair, which seems to be effective.

### *Approaches to Engaging Stakeholders*

When interviewees were asked about “how the OIG can engage with you in ways that maximizes its value” discussions focused on a variety of communication approaches that enable stakeholders to be informed without overstating their role in the process. Illustrative responses included:

*Amtrak Senior Management Perspective*

- The IG should continue to develop a collaborative, constructive relationship with Amtrak that maintains the independence of the OIG.
- As part of the annual planning process, the IG could engage Amtrak senior leadership on issues of concern or perceived risk – Amtrak senior management is well aware of their areas of perceived risk and would welcome OIG oversight. It is recognized that the IG would merely collect their perspective, and would have the final decision as to what the OIG examines or what is contained in a report.
- It would be useful to receive interim reports from the OIG, so that management does not have to wait a long period of time to receive feedback about areas of concern.
- It would be very useful to educate all Amtrak staff about the nature of a high-performing OIG, and how OIG staff and Amtrak should interact with one another.
- The OIG and Amtrak legal teams need to improve their levels of mutual trust and communication.
- The OIG needs to ensure that it communicates issues in a timely fashion, recognizing the need for urgency and a proactive approach.

*Board Member Perspective*

- IG could engage the Board of Directors around areas of concern when performing the annual audit planning process; while learning about Board members' areas of concern, the final decision making authority would rest with the IG.
- IG should continue to attend Board meetings monthly; however, it has been suggested that the IG should have more quality time on the agenda.
- Since the IG reports to the Board chair, and not to the full Board, it is recommended that the IG meets with the Board chair regularly (i.e., monthly) to discuss on-going issues.
- The IG should participate in some Amtrak meetings in order to remain informed about Amtrak operations and maintain a pulse on the organization. However, if the IG does attend regular management meetings, it is critical that the IG observes and listens, and does not participate in management decisions.

*Congressional and Other External Stakeholder Perspective*

- Some Amtrak staff believe that it is inappropriate for the OIG to consult Congress on Amtrak activities.
- OIG needs to fully understand political dynamics and congressional legislation affecting Amtrak and act on them accordingly in order to maximize their impact for the company.
- The IG should meet with the Board monthly, and should have regular face-to-face meetings with the Board chair to discuss on-going issues.

## **INDEPENDENCE OF THE OIG**

Much of the stakeholder engagement discussion incorporated the importance of maintaining independence. Further questions included “What kinds of things should be done by OIGs to maintain their independence?” Stakeholders interviewed expressed a great deal of concern with the Amtrak OIG’s independence. Interviewees shared the following thoughts:

### *Board Member Perspective*

- It is critical that the Board act in accordance with the fact that the IG reports to the Board Chair - not the full Board - and that neither the Board chair nor the Board can direct OIG activities.
- The IG can and should engage and communicate with the Board, all the while maintaining the final decision making authority.
- It would be useful to have an interim review that focuses solely on OIG independence, to ensure that all the right measures have been undertaken by the time CIGIE conducts its follow-up review next year.

### *Amtrak Senior Management Perspective*

- There is a need to educate not only OIG staff about how a high-performing OIG operates, but also to educate Amtrak staff and Board members about how an OIG should interact with them, so there is no abuse of power or decision-making boundaries crossed that should not be.
- OIG should not be addressing management issues; that needs to be done by Amtrak management. Lower-level issues that the OIG identifies should be passed along to management to deal with. This is being done much more effectively than it was with old IG.
- It’s very difficult to audit or investigate the office from which you came and conflicts of interest arise.
- Those with specific Amtrak subject matter expertise can be a resource assisting those with audit and inspection report writing skill sets. A balance of skills is ideal.
- Those who are perceived as “friendly” to the OIG have been rarely criticized in reports, and those who are not perceived as “friendly” often seem to receive an inordinate amount of criticism.
- The recommendation of a single initial grant directly to the Inspector General of Amtrak, separating its funding source from the entity it is responsible for overseeing, reflects progress towards achieving the appropriate level of independence..

### *Congressional and Other External Stakeholder Perspective*

- There was a perception that the former IG and the Board had a relationship that was very close and prevented true objectivity.



- Board members need to understand that they cannot direct the OIG, as this position reports to the Board Chair only. Board members also can not give direction to the IG.
- Management has historically liked the "blessing" of having the OIG know about a decision before it's made. OIG should not be involved in this part of the process.
- Amtrak management needs to make operational decisions independently, and then have the OIG can review it later if necessary.
- It is feasible for IG offices to share administrative services with its agency and remain independent, assuming data integrity, timeliness, and privacy are not issues.

## **PROCESS IMPROVEMENTS**

Many of those interviewed shared concern that the lack of established processes has hindered the effectiveness of the OIG. The standardization of regular processes guiding day-to-day activities was referenced by numerous stakeholders. Process areas addressed frequently included audit, strategic planning and risk management. Specific issues surrounding process improvements included:

- A need to have top down, strategic prioritization of OIG work, rather than bottom-up determination from lower level OIG staff.
- A need for a formal, standard processes (with established quality control deadlines) so that Amtrak staff know what is needed and expected of them, including:
  - Formal engagement announcement
  - Entrance conference
  - Information request
  - Draft report
  - Comment period
  - Final report to be made public
- OIG staff need to receive training on these standard processes, so that all staff have the ability to complete their job responsibilities in a consistent, quality manner
- OIG staff need to input information into the relevant technology (e.g. TeamMate) so that work progress can be tracked and resources can be adequately managed
- Amtrak OIG should utilize Amtrak resources available to assist with information gathering
  - Audit Liaison position role is to help gather information during an audit (in addition to track recommendations) and is currently under-utilized
- Legal process and protocols need to be established
  - Identify necessary protocols for interaction when company has exposure
  - Develop interaction procedures between OIG and law department within Amtrak.
- OIG needs to hire staff with necessary analysis skill sets, and consider rotating these staff members through Amtrak to help them understand the business
- Strategic, audit and operating plans should be published on the Amtrak OIG website, and made readily available to all stakeholders.

## **MEASURING OIG PERFORMANCE**

Interviewees were asked about ways to measure the performance of the OIG.

### ***Identifying Metrics***

When asked to identify ways to measure the OIG’s performance, interviewees stressed the need for the OIG not to get “down in the weeds” and to operate at a level of high-impact, organizational performance. Interviewees agreed that a period of reflection is necessary to assess the results of the audits and investigations. It was also agreed that looking at other comparable OIGs for best practice benchmarks can be very helpful. Examples of approaches that were mentioned include:

- Quantitative measurements are helpful and necessary for GAO purposes, but it is also important to consider “subjective” performance measurements that measure impact to the agency.
- OIG staff may gain benefit from researching audits that other comparable OIGs are doing in an effort to determine appropriate audit areas and metrics.
- In order to identify metrics, the OIG should ask itself:
  - “Did we add value this year?”
  - How practicable were the recommendations?
  - How many were implemented?
  - What recommendations were not implemented?
- The OIG report and recommendations should have real impact on Amtrak efficiency improvements. Factors to consider include do they:
  - Save money?
  - Decrease processing time?
  - Increase number of on time arrivals?
  - Increase safety?
- The number of reports issued and number of recommendations made are NOT the most useful measures.
- The value of the OIG should not be correlated to the number of problems that Amtrak has but to the ultimate improvement that results from OIG work.
- Recruitment and retention goals met serve as good metric of success for OIG.
- Managing change is an integral measure of performance for the current IG.
- It is also important to have performance metrics at an individual employee level, to encourage and recognize good work.

### **SUMMARY**

In summary, key highlights across the interview data suggest that the OIG is moving in the right direction and has to continue initial steps at stakeholder engagement. Common themes that emerged from the stakeholder interviews include:

- There is a need to continue to elevate the focus of the OIG’s work on big picture, strategic work that delivers high levels of impact for Amtrak.
- More formalized schedules and processes for information-sharing will continue the initial momentum achieved by the IG, and allow the OIG to operate more efficiently.

- The working relationships between members of the OIG and Amtrak senior leadership and Board members have improved. However, education for all Amtrak staff, senior management, and Board members about the role and expectations of an OIG would be useful to ensure a constructive partnership.
- There is still a level of uncertainty among many stakeholders regarding roles and responsibilities of the OIG, the benefits it can and will deliver, and the viability of an IG entity that is unique to Amtrak and not part of the DOT IG structure.
- Many of the OIG's external stakeholders have stressed the importance of clearly articulating expectations and managing the relationships effectively so that these expectations can be met.
- Communications between the OIG and Congressional staff needs to be coordinated and transparent so that a results-driven dialogue is taking place.
- The OIG can harness best practices and lessons learned from other IGs by engaging with the great IG community and taking more proactive steps towards improvement.

## Stakeholders Interviewed

<b>Amtrak</b>	
Eleanor Acheson	Amtrak Vice President and General Counsel
Joseph Boardman	Amtrak Chief Executive Officer and President
William Crosbie	Amtrak Chief Operation Officer
Stephen Gardner	Amtrak Vice President of Policy and Development
Lorraine Green	Vice President, Human Resources and Diversity Initiatives
Joe McHugh	Amtrak Vice President of Government Affairs and Corporate Communications
DJ Stadler	Amtrak Chief Financial Officer
Jessica Stritchfield	Amtrak Principal Audit/Controls Officer
<b>Congressional Stakeholders</b>	
Ellen Beares	Senate Appropriations Staff Member
Emilia Disanto	Chief Investigator, Senator Grassley (R-IA)
Jason Foster	Investigative Counsel, Senator Grassley (R-IA)
Sylvia Garcia	House Appropriations Staff Member
Rachel Milberg	Senate Appropriations Staff Member
<b>Other Stakeholders</b>	
Carl Clinefelter	Inspector General, Farm Credit Administration and Vice Chair of Council of Inspectors General on Integrity and Efficiency
Dave Dobbs	Consultant
Don Hickman	Consultant
J. Steven Patterson	Partner, Hunton & Williams and Head Counsel for Amtrak Board
Lex Stefani	Consultant
<b>Board Members</b>	
Tom Carper	Board Chair, Amtrak
Donna McLean	Member of the Amtrak Board of Directors
Nancy Naples	Member of the Amtrak Board of Directors
Mark Yachmetz	FRA; Ex-officio member of the Board of Directors

## APPENDIX C

### SUMMARY OF STAFF SURVEY RESULTS

The OIG staff survey was designed to solicit the input of staff members across the OIG, particularly those who were not part of the interview process. The survey asked questions about the work processes, leadership, communication, and other areas related to working in the OIG. The staff survey was disseminated electronically on June 4, 2010, to 90 individuals in the Office of Inspector General. It closed on Wednesday, June 16. The survey consisted of both open-ended and discrete choice questions.

#### DEMOGRAPHICS

A total of 90 members of the OIG received a survey invitation. Of those, 83 (92%) answered at least portions of the survey and there were a total of 74 (82%) completed, valid records for analysis.<sup>1</sup>

Respondents are spread across the various levels of tenure in the OIG:

- 30% have worked in the OIG longer than 11 years
- 25% have worked in the OIG 6-10 years
- 33% have worked in the OIG 1-5 years
- 12% are new employees, who have been with OIG less than one year.

Most of the respondents work in **Audit** (46%). Representation of each office is fairly consistent with the actual distribution of employees (Table 1).

**Table 1. Distribution of Respondents and Staff Across Offices**

Offices	Percent of Respondents (n=78)	Percent of Staff (n=92)
Audit	46.2 %	42%
Inspections & Evaluation	12.8%	11%
Investigations	30.8%	30%
Counsel to the IG	3.8%	5%
Management & Policy	6.4%	8%

Just over half (58%) work in OIG field offices, with the remainder (42%) working at headquarters. Approximately one-third (36%) once worked directly for Amtrak.

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<sup>1</sup> One case reflected the input of the IG and was removed from the dataset prior to analysis.

## **OIG STRATGIC PLAN**

Most respondents indicated they have a good understanding of the OIG Strategic Plan (with 81%, n=64, indicating they “agree” or “strongly agree” with the question). The same strong majority (81%, n=64) support the goals described in the strategic plan.

Most indicate they understand how their work relates to the goals in the plan (76%, n=60), and a strong majority (78%, n=61) indicated that their supervisor expressed support for the goals.

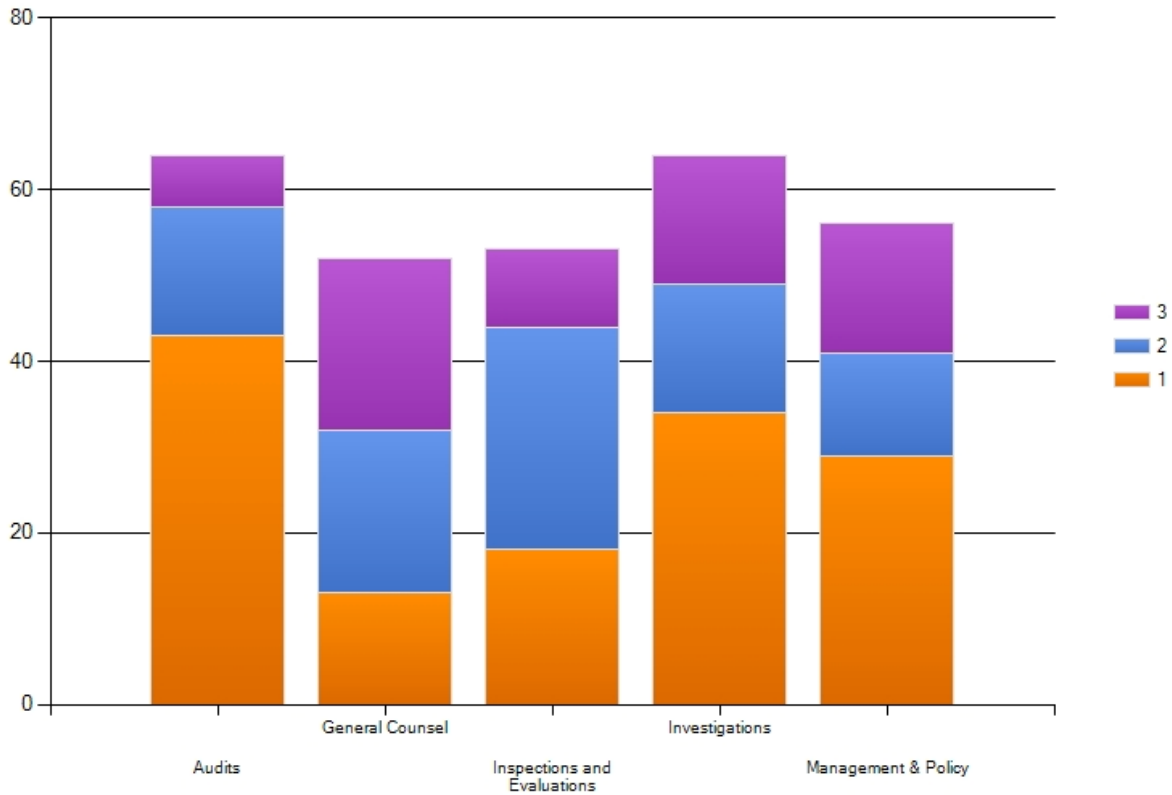
Example comments include:

- Given the guidance and allotted time, the OIG Strategic Plan is a good product. However, to do it “right,” more time will be required to do a full assessment of the current environment to better identify critical areas for the department to focus.
- Strategic plan seems too focused on cooperative efforts with Amtrak management, rather than the oversight of Amtrak, which is the OIG mission.
- There has been limited communication on how we plan to implement this strategy and what the OIG role will be in helping Amtrak meet its strategic goals and objectives.

## **ROLE OF OIG**

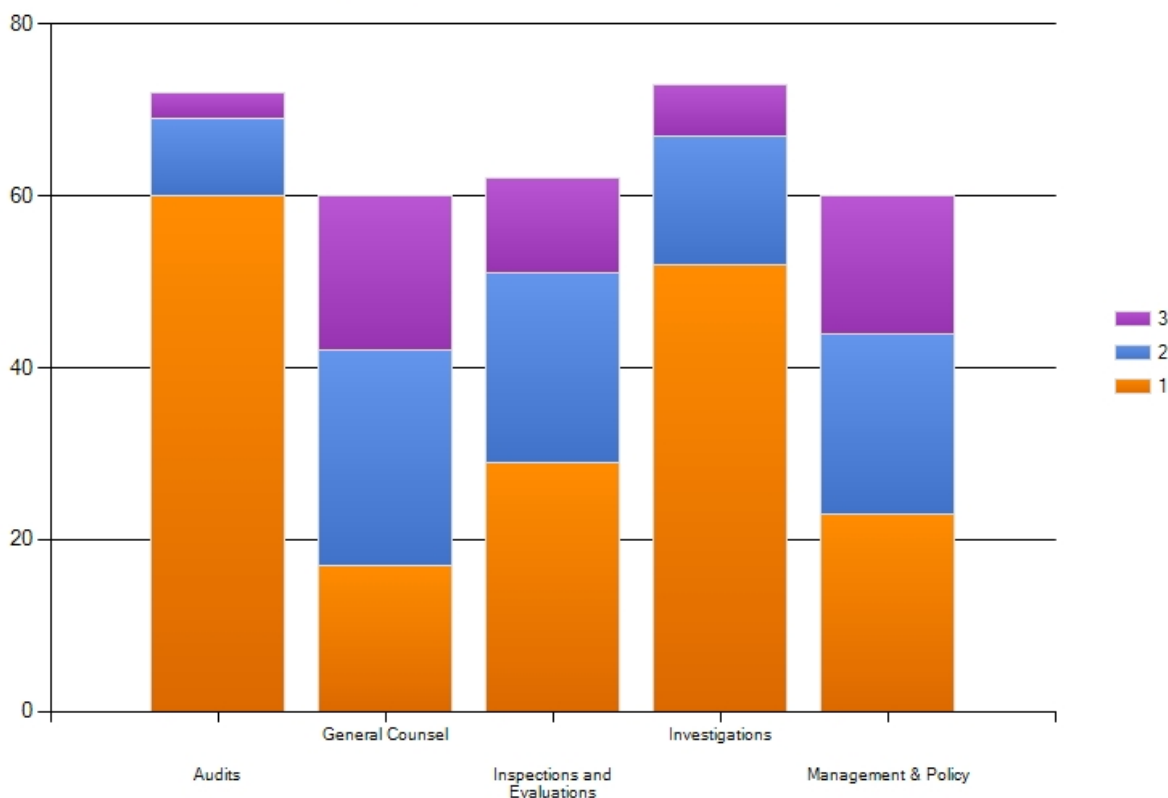
**Functional Priorities.** Staff were asked to indicate the current emphasis placed by the OIG on the five different functions. The data indicate that the current emphasis is: 1) Audits, 2) Investigations, and 3) Management and Policy.

How would you rank the current emphasis among the following FUNCTIONS within the OIG at the present time? (Please rank in priority, with 1=top priority, 2=second in priority, and 3=third in priority. If you don't know, please type "don't know" in the comment box.)



They were then asked what they thought the functional priorities *should* be, among the same five functional areas. There was fairly clear agreement that Audits are and should continue to be the top priority, followed by Investigations. Inspections and Evaluations moved up to third in priority in the “should be” state, while Management and Policy moved to fourth.

What do you think the emphasis should be among the following FUNCTIONS within the OIG?  
 (Please rank in priority, with 1=top priority, 2=second in priority, and 3=third in priority. If you don't know, please type in "don't know" in the comment box.)



**Oversight Priorities.** Respondents were asked in an open-ended format their perception of what the current oversight priority areas are, and what they should be. Respondents overwhelmingly identified the Recovery Act as the current and “should be” OIG oversight top priority. They were less clear about what is currently second and third in priority (the largest response given was “don’t know”).

While they are somewhat unclear about the current OIG priorities, they expressed clearer ideas about what should be the top three priorities. These were: 1) Recovery Act, 2) Waste/internal controls/efficiency, and 3) Improvements to Amtrak operations resulting from OIG work. The second priority area speaks to the core business of OIG (e.g., audits, evaluations, investigations), while the third priority area builds on this work--demonstrating actual improvements to Amtrak operations.

**Table 2. OIG Top 3 Oversight Priorities: Current and “Should Be”**

	Current Priority	“Should be” Priority
First Priority	Recovery Act	Recovery Act
Second Priority	Don’t know	Waste/internal controls/efficiency
Third Priority	Don’t know	Improvements to operations from OIG work (impact)



**Independence.** Participants were asked how well the OIG maintains its independence from the Company, the programs it reviews, and external stakeholders. Overall the results suggest that the staff do not feel strongly that the Amtrak OIG is independent. Most respondents indicated the Amtrak OIG is “somewhat independent” (61%, n=46). About one fifth (22%, n=17) indicated it is “extremely independent”; a smaller number (8%, n=6) think it is “not at all independent,” and a similar number “don’t know” (9%, n=7).

In an open-ended format, respondents were asked to provide suggestions to improve the independence of the OIG. A total of 59 comments were offered, but not all were responsive to the question. Of those that offered suggestions, the following themes emerged:

- Hold to a position without the influence of Amtrak management, and initiate our own work (17% n=10)
- Have the IG report to Congress, not the Board of Directors (12%, n=7)
- Maintain open access to Amtrak records (10%, n=6)
- Reference the IG Act often, reinforce its message and educate both OIG and Amtrak staff on what it means (8%, n=5)
- Hold management accountable for implementing OIG recommendations (7%, n=4)

Example comments include:

- We should take the initiative in conducting audits, reviews, and investigations and not wait for endorsement by the Board.
- A culture change of the OIG staff as to exactly what independence entitles them to. Now staff just announce they are OIG and expect things to be done
- Behaving as if we are half federal and half Amtrak only hurts our creditability and allows for Amtrak to influence our views, which is not good for the OIG or Amtrak
- The OIG needs to ensure there is transparency with our reports and responses by the company.

## **WORKING IN THE OIG**

**Personal.** Generally, respondents are comfortable with their understanding of the organizational structure (83% agree/strongly agree) and where they fit in that structure (74% agree/strongly agree) (see Table 3 below).

Respondents also believe that they understand how their work relates to the goals and priorities of their positions (76% agree/strongly agree). This compares favorably to a somewhat similar question posed in the 2008 Federal Human Capital Survey conducted by OPM (i.e., managers communicate the goals and priorities of the organization); the result is better than that achieved by the Federal government as a whole (60% positive).

Most respondents also believe that their performance appraisal is a fair reflection of their performance (67% agree/strongly agree). This result is similar to the results of the 2008 OPM survey, where 63% of all Federal employee respondents said that their performance appraisal is a

fair reflection of their performance. The majority of OIG respondents also indicated that they feel motivated to do their best work (64% agree/strongly agree). Similarly, most respondents were satisfied with the opportunities they have been given for training and professional development (68% agree/strongly agree).

While most respondents said their workload is reasonable (73% agree/strongly agree). The OIG composite results are more favorable than the results of the 2008 OPM survey where 60% of all Federal employees said their workload is reasonable.

The most consistently negative responses were related to communication. Fewer than half of the respondents believe they receive adequate and timely information from OIG leaders on issues that affect them personally (43%, n=32). Similarly, less than half are (41%, n=31) satisfied with the information they receive about what's going on in the organization.

**Table 3: Assessment of Own Work Situation**

Assessment of Own Work Situation	% Strongly Agree or Agree	% Strongly Disagree or Disagree	Rating* Average (1=Strongly Agree/ 5=Strongly Disagree)
I know how my work relates to the OIG's goals and priorities.	76%	6%	2.09
I know where I fit within the current organizational structure.	74%	14%	2.13
I understand the goals and expectations for my position.	76%	9%	2.03
My performance appraisal is a fair reflection of my performance.	67%	8%	2.58
I am given adequate opportunities for training and professional development.	68%	16%	2.23
I feel motivated and inspired to do my best work.	64%	18%	2.24
I understand the current organizational structure and reporting relationships.	83%	7%	1.95
My workload is reasonable.	73%	13%	2.32
I receive adequate and timely information from OIG leaders on issues that affect me personally.	43%	30%	2.88
I am satisfied with the information I receive from OIG leaders on what's going on in the organization.	41%	44%	3.32

\*Lower average ratings indicate more favorable responses

## IN MY GROUP

**Immediate Office.** On the whole, respondents think highly of the commitment (75% positive) and experience (66% positive) of the people in their immediate office/work group (see Table 4 below). They also generally believe (86% agree/strongly agree, n=65) that their colleagues are willing to learn and use automated tools to do their job.

A majority (62%, n=60) are positive about the ability/willingness of their colleagues to adapt to changing priorities, new approaches to work (79%, n=65), or changes in organizational structure and reporting relationships (54%, n=41).

Over one-third (42%, n=32) have a negative impression of the morale in the office, and only about one third (37%, n=28) believe that staffing levels are adequate.

**Table 4: Assessment of Immediate Office**

Assessment of Immediate Office	% Strongly Agree or Agree	% Strongly Disagree or Disagree	Rating* Average (1=Strongly Agree/ 5=Strongly Disagree)
Staff members are willing to learn and use automated tools to do their jobs.	86%	9%	2.01
Staff members are highly committed to the mission of the OIG.	75%	5%	2.16
Staff members have the right backgrounds and experience to do their jobs.	66%	17%	2.31
Staff members are willing to adopt new approaches to the work.	79%	9%	2.12
Staff members adapt easily to changing priorities.	62%	18%	2.45
Staff members adapt easily to changes in organizational structure and reporting relationships.	54%	21%	2.7
The office has the right mix of skills for the work that needs to be done.	59%	25%	2.63
Morale is high among the staff members in my office/division/work group.	37%	42%	3.14
The number of staff is adequate.	37%	37%	3.03

\* Scale ranged from 1=more favorable ratings to 5=least favorable ratings

## MY IMMEDIATE MANAGER/SUPERVISOR

**Direct Manager/Supervisor.** When asked questions about their own manager/supervisor, respondents report generally favorable views, and there was little variability in ratings (see Table 5 below). More than two-thirds have a positive view of their manager/supervisor's willingness to adopt new approaches to work (88%, n=65), ability to work with people of different backgrounds (84%, n=62), and independence from outside stakeholders (80%, n=60). All three issues drew very little in terms of negative views (5% to 8%). On the question of whether managers/supervisors work well with employees of different backgrounds, the OIG results (84% strongly agree/agree) compare very favorably to the 2008 OPM Federal Human Capital Survey results for government as a whole (65% strongly agree/agree).

Over half of the respondents have favorable opinions about their own manager's guidance to staff (76%, n=56), communications about the goals and priorities of the OIG (73%, n=54), and ability to adapt to changing priorities (74%, n=55). With regard to managers communication of the goals and priorities of the organization, the 2008 OPM survey results for the federal

government overall (60% strongly agree/agree) were slightly lower than the OIG results in this survey (73%).

Respondents also have a generally positive view of their own manager’s ability to see the “big picture” across audits, investigations and evaluations (73%, n=54), as well as their understanding of the full range of programs across Amtrak (73%, n=54). Similarly a substantial number of respondents (73%, n=54) believe that their manager/supervisor adapts easily to changes in organizational structure and reporting relationships.

**Table 5: Assessment of Direct Manager/Supervisor**

Assessment of Direct Manager/Supervisor	% Strongly Agree or Agree	% Strongly Disagree or Disagree	Rating Average (1=Strongly Agree/ 5=Strongly Disagree)
My manager/supervisor treats me with respect	88%	8%	1.68
My manager/supervisor works well with employees of different backgrounds.	84%	8%	1.87
My manager/supervisor is willing to adopt new approaches to the work.	88%	5%	1.95
My manager/supervisor demonstrates independence from outside stakeholders.	80%	5%	1.95
My manager/supervisor provides appropriate guidance and direction for my work.	76%	9%	2.03
My manager/supervisor models good teamwork for the staff.	76%	12%	2.03
My manager/supervisor adapts well to changing priorities.	74%	10%	2.09
My manager/supervisor communicates the goals and priorities of the OIG.	73%	12%	2.05
My manager/supervisor has a good understanding of the full range of programs across Amtrak.	73%	15%	2.09
My manager/supervisor is good at seeing the “big picture” across the various audits, investigations and evaluations done by the OIG.	73%	15%	2.07
My manager/supervisor adapts easily to changes in organizational structure and reporting relationships within the OIG.	73%	12%	2.20

\* Scale ranged from 1=more favorable ratings to 5=least favorable ratings

A total of 24 comments were offered about first line supervisors, with most falling into one of three general themes:

- Complimentary statements, such as they provide good direction, “the reason I stayed,” and praise for specific individuals;
- Complaints about their inexperience with Amtrak or lack of knowledge, noting their need for more advanced technical skills and knowledge of the railroad; and

- Comments about the lack of communication, either from the supervisor, or lack of communication among supervisors.

Example comments about this last bullet point include:

- They should speak with each other
- Managers lack basic managerial skills and are not held accountable for managing staff. Many have solid technical skills but have no idea how to engage and motivate staff; instead, they prefer to micromanage.

## **THE OIG EXECUTIVE TEAM**

**Executive Team.** Respondents expressed less favorable average ratings for the Executive team overall compared to ratings of their immediate supervisors, and there was more variability among the ratings (see Table 6 below). In general, respondents expressed increased levels of ambiguity offering more “neither agree or disagree” and “don’t know” responses. The highest rated attributes were the senior staff’s ability to work with employees of different backgrounds (54%, n=40), demonstration of the guiding principles and values of the OIG (51%, n=38), their willingness to adopt new approaches to the work of the OIG (50% n=37), and their ability to communicate the goals and priorities of the OIG (49%, n=36). Fewer than half of the respondents provided positive ratings to the remaining items pertaining to Executive Team behavior.

Most of the 26 comments offered about the Executive team pertained to their lack of knowledge of Amtrak, lack of unity and support for changes within OIG, and poor communication. Of primary concern is the need for newer members of the Executive team to learn more about Amtrak and develop clear direction for the office. Other examples noted that the Executive team is “divided” and that some prefer the status quo, and some will resist the new leadership. Examples of communication concerns mentioned that the Executive team is “overly secretive” or sets a “poor example of communication,” which results in the prevalence of rumors about pending changes and the direction of the office.

Example comments include:

- The Executive team is new and most of these questions can’t be answered fairly because of that, however, we still seem to be operating in a secret atmosphere with little interaction with the company.
- The OIG Executive team is much improved but still divided. Despite new blood some old issues continue to cloud OIG management
- Most of what we hear are rumors and not facts from Executive management.
- Team building at all levels is key to its success.

Table 6: Assessment of Executive Team

Assessment of Senior Staff	% Strongly Agree or Agree	% Strongly Disagree or Disagree	Rating Average (1=Strongly Agree/ 5=Strongly Disagree)
The Executive team works well with employees of different backgrounds.	54%	13%	2.91
The Executive team demonstrates the guiding principles and values of the OIG.	51%	18%	2.70
The Executive team is willing to adopt new approaches to the work of the OIG.	50%	14%	3.09
The Executive team effectively communicates the goals and priorities of the OIG.	49%	24%	2.73
The Executive team provides appropriate guidance and direction to the work of the OIG.	45%	29%	2.73
The Executive team demonstrates independence from outside stakeholders.	45%	23%	3.16
The Executive team is good at seeing the “big picture” across on the various audits, investigations and evaluations done by the OIG.	39%	19%	3.16
The Executive team adapts easily to changes in organizational structure and reporting relationships.	39%	16%	3.41
The Executive team adapts well to changing priorities.	36%	13%	3.49
The Executive team has a good understanding of the full range of programs across Amtrak.	35%	33%	3.44
The Executive team models good teamwork for the staff.	35%	27%	3.28

\* Scale ranged from 1=more favorable ratings to 5=least favorable ratings

## WORK PROCESSES AND SYSTEMS

The ratings for work processes and systems were highly variable, and many items about specific tools or training were relevant only to certain segments of the OIG population (see Table 7 below).

**Communication Methods.** Opinion about the communications methods available and used by the OIG were almost evenly split among those who thought they were “good” or “very good” (32%, n=24), those who said they were “satisfactory” (37%, n=27), and those who said they were “poor” or “very poor” (31%, n=23).

**Training and Guidance.** Similarly, ratings of training on OIG work processes, systems and tools were split three-ways. About the same number of respondents gave “good” and “poor” ratings (33%, n=24 for each category), about one-third were “satisfied” (33%, n=24), and about one quarter (27%, n=20) said it was “poor,” or “very poor” (the remainder selected “don’t know”).

**Quality Assurance.** Most respondents who rated this item indicated that the quality assurance review process was satisfactory (31%) or better (26%). About one-quarter of those who rated this item (23%) said it was poor or very poor. However, a review of comments/suggestions for improving the efficiency of the office suggests that there is significant staff concern about the need for technical guidelines and process improvements, and specific improvements to the efficiency of the report review process (see “Improvements to Work Processes”, below).

**Use of Cross-Functional Teams.** Few respondents think the use of cross-functional teams is satisfactory (20%) or good/very good (12%). Over one-third (38%) think that the use of multi-discipline/cross-functional teams is poor or very poor, nearly one quarter (23%) indicated they “don’t know” and could not rate the item.

**Table 7: Assessment of Work Processes and Systems**

Assessment of Work Processes and Systems	% Very Good or Good	% Satisfactory	% Very Poor or Poor	Rating Average (1=Very Good/ 5=Very Poor)
Technical guidance on how to conduct evaluations (16 rated this)	62%	19%	19%	2.31
Technical guidance on how to conduct audits (total of 45 rated this)	42%	22%	38%	2.87
Technical guidance on how to conduct investigations (34 rated this)	41%	32%	27%	2.79
Training on the OIG’s work processes, systems and tools	33%	33%	27%	3.10
Internal communication methods (e.g., all-hands meetings, email)	32%	37%	31%	3.0
Guidance and training provided on AIM (41 rated this item)	32%	34%	34%	3.05
Guidance and training provided on TeamMate (46 rate this item)	28%	35%	37%	3.04
Quality assurance review processes (59 rated this item)	26%	31%	23%	2.95
Guidance offered on records management (e.g., folder structures, file naming conventions, archiving rules)	23%	28%	34%	3.61
Use of multi-discipline (cross-functional) teams (52 rated this)	12%	20%	38%	3.48
Use of teams within a functional group, but from different work locations (52 rated this item)	17%	29%	54%	3.21

\* Scale ranged from 1=more favorable ratings to 5=least favorable ratings

**Improvements to Work Processes.** When asked to identify one or two process improvements that should be made to improve the timeliness or quality of OIG work products, 56 respondents offered at least one suggestion. Not all answers given to this item were responsive, but of those that were, some themes emerged. Most frequently suggested (29%, n=16 respondents) were the

need for technical guidance and standardized, transparent work processes around audit completion and report preparation. A specific work process that garnered twelve comments suggested the OIG improve the efficiency of its report preparation process (21%, n=12), including both the review process itself (e.g., number and levels of review) and setting standard formats for different types of work.

Training emerged as another theme, with 23% (n=13) of the comments noting there is a need for specific technical training on TeamMate, Amtrak Investigations Management System (AIMS), and overall accounting standards and guidelines.

Communication practices comprised another set of suggestions (9%, n=5), with people describing both mechanisms (i.e., the need for more all-hands meetings), as well as content (i.e., sharing expectations to enhance accountability) (9%, n=5).

Example comments include:

- Report writing standards and mandatory compliance with those standards from all OIG staff regardless of the work unit. Development and implementation of a fact-based risk assessment tool to determine what value-added work really needs to be done.
- Often, what's being reported is outdated by the time the review process has been completed.
- More communication across functional areas and between senior OIG management and employees is needed. Change is often painful but not having a sense of what is taking place is the most painful.
- The staff needs to be provided with clear, concise direction. Lately, processes have been changing and re-changing weekly, daily, etc. which is causing confusion and further moral issues with the staff. There are a lot of hard working people who want to "do the job" but they need to understand what is expected of them and consistency.

## **STRENGTHS OF OIG**

**Strengths.** Respondents were asked what they considered to be the core strengths of the Office of the Inspector General. Of the 75 people who answered this question, the most frequently mentioned strength was the OIG employees (50 respondents, or 66%). Among the qualities cited were their:

- Knowledge of Amtrak
- Experience;
- Credibility (particularly in Investigations)
- Teamwork; and
- Dedication.

The next most frequently mentioned strength (9 respondents, or 12%) was the mission of the IG itself and the independence of the office. A handful of respondents named the new leadership and the changes made to date as a core strength (4%, n=3). No other themes emerged as core strengths.



**Issues, Trends, and Challenges.** Respondents were asked to identify major issues, trends, and challenges that will have the biggest impact on OIG in the future. A total of 65 responses were offered, though not all reflected valid responses to the question posed. A total of 40 valid responses grouped into two main types of trends or challenges: 1) internal (affecting OIG operations) and 2) external (those that extend beyond the OIG internal functioning).

**Table 8: Staff responses on major issues, trends, and challenges for OIG**

<b>Challenges</b>	<b>Number of Respondents Listing Challenge</b>	<b>Percentage of Total Respondents</b>
<b>Internal Challenges</b>		
Human Capital – pending retirements and succession planning	19	29%
Reinforcing OIG independence and disengaging from Amtrak management	9	14%
Automated tools	3	5%
<b>External Challenges</b>		
Need for high impact audits/investigations based on risk to Amtrak operations	7	11%
Recovery Act	5	8%

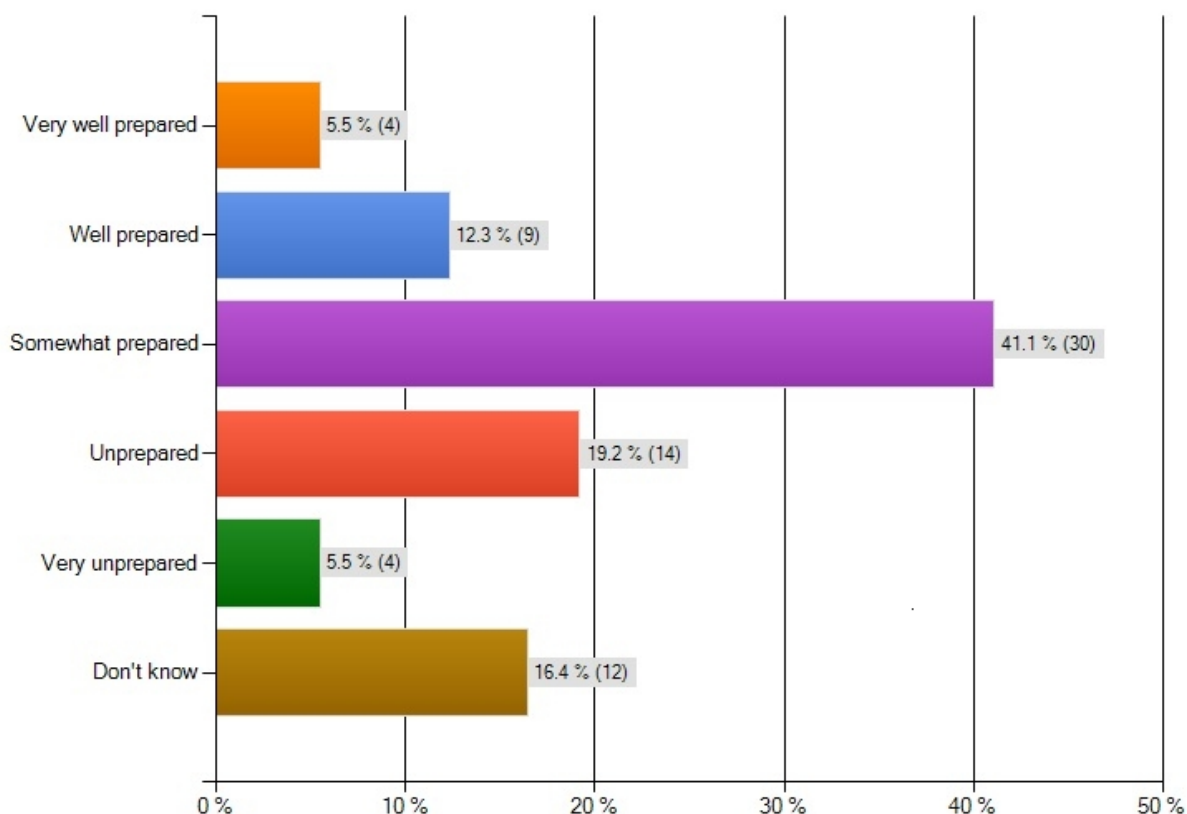
The remaining comments did not reflect a theme or broad issue, but were ideas not shared by more than two individuals, such as:

- Amtrak IT investment;
- Employee theft;
- Cross-functional teams; and
- Yellow Book standards and International Professional Practices Framework (IPPF).

### **PLANNING FOR OIG’S FUTURE**

When asked about how prepared the OIG is to effectively address its future challenges, the most frequent response was “somewhat prepared” (41%, n=30). Most respondents expressed at least this level of confidence or greater in the OIG capability to handle the future. The red and green sections of the chart below indicate that a quarter of the OIG respondents who said that office was “unprepared” or “very unprepared” to handle future challenges.

How prepared is the OIG, overall, to effectively address the future challenges you note in the previous question?



## MEASURING OIG OUTCOMES

**Performance Measures.** Respondents were asked what measures should be used to evaluate the success of OIG as an organization; 60 respondents offered suggestions. The responses were a mix of traditional OIG measures (e.g., number of recommendations, funds put to better use), outcomes (or impacts) affecting Amtrak performance, and process improvement measures.

The most frequent suggestions (13%, n=8) were measures of how well OIG findings were impacting the occurrence of waste/fraud/abuse/mismanagement within Amtrak, with many tying OIG outcomes to measures from Amtrak programs (e.g., hiring cost per employee, loss of food and beverage operations). These kinds of measures move beyond outputs (e.g., number of recommendations) to long-term impact of implementing the recommendations. Another important suggestion was to survey OIG stakeholders—specifically the auditees and users of OIG reports—to assess both the process and the value of the product. Responses were given by only one or two participants and include:

- Prevention measures, such as deterrence of fraud, money saved through deterrence;
- How strongly OIG recommendations support Amtrak strategic goals; and
- How well the OIG meets its own strategic goals.

## CLOSING COMMENTS

The final section of the survey gave respondents the opportunity to comment on or mention anything else that they would like to share. A total of 32 people submitted a response (in some cases just noting “nothing”). Of those that offered substantive comments, the most frequent responses (38%, n=12) noted problems with the OIG culture, climate and morale. OIG is described as “dysfunctional,” with too much “division” within the office (sometimes indicating specific groups that are a source of discord), overall low morale.

Other themes that emerged include the need to be honest with employees when making promises, sharing plans for reorganization, etc., noting that many employees have low trust of the OIG leadership and are fearful of job loss (18%, n=6). The need was expressed for better communication channels and practices (13%, n=4), and the need to recognize the uniqueness of Amtrak’s business and organization, rather than trying to replicate a standard Federal OIG model (13%, n=4). Others “look forward to the changes” planned by the new IG (13%, n=4).

Other less frequent comments (expressed by 3 or fewer individuals) included:

- Restructure the salary and recognition system, adopt more meaningful titles;
- The perception that the new IG is trying to get rid of older employees;
- Better align resources within the office, including physically co-locate staff to foster better teamwork and collaboration;
- Start a mentoring initiative; and
- Criticisms of the NAPA study, noting the numerous previous assessments of the office and skepticism that positive change will result.

## SUMMARY

The OIG staff is well represented by this survey, with a strong majority of the OIG workforce offering their views. Overall, staff indicate that they personally understand and support the strategic plan, yet note that questions remain about the details of how it will be implemented. Most understand their current role and responsibilities, and a strong majority thinks that ARRA is and should be the top oversight priority in the OIG. They were less certain about the other current priorities of the work (“don’t know” were the top responses). They were clear, however, in identifying what *should* be the oversight priorities—detecting waste/fraud/internal controls, and improving Amtrak operations (having an impact). These responses suggest that staff know what the work of the OIG should be doing, but that they are less sure that the OIG is actually doing it to the degree needed or appropriate.

Organizationally, most agree that Audit and Investigations are and should be the top two functional emphases within the office, but there are varied opinions about the third most emphasized function. At present, most indicate that M&P is getting high emphasis, but that Inspections & Evaluations should actually be more prominent. This finding, taken together with the findings related to the top oversight priorities noted above, suggest that internal issues within the OIG are taking attention away from the OIG’s core business.

Amtrak OIG is not viewed as a strongly independent office by the staff, and suggestions were offered to both educate others and behave in ways to reinforce its independence. Staff members were favorable in their views of their immediate supervisors, but less favorable in ratings of the Executive team. Motivation and morale were somewhat low, and ratings of all items relating to work processes and systems were fairly low (fewer than half of the responses were favorable). Many note problems with training, communication, use of cross-functional teams, overall approach and planning of the work. These results are consistent with findings across multiple interviews (including the OIG Executive team, other OIG interviewees, and stakeholders). While problems in day-to-day processes are evident, respondents were generally positive about the willingness of staff and managers to adopt changes and learn new processes.

Staff indicated that the core strength of the office is its people, mentioning the specific knowledge and skill sets many possess. While this is cited as a strength, other items in the survey also indicate that knowledge and skill is not universally present across the OIG, and that many staff (and managers) would benefit from increased training. Comments throughout the survey indicated a concern about the high number of retirement eligible staff members, and few felt the office is well prepared to meet its pending challenges around human capital management. The threat of substantial attrition in key areas, along with the inconsistent distribution of expertise across the office, further emphasizes the need for succession planning, including an approach for hiring, training and developing more junior staff.

Suggestions for measuring OIG performance were a mix of traditional measures (e.g., number of recommendations, funds put to better use), as well as process improvement and actual indicators of impact. Some described linkages between actions by the OIG (fraud awareness, deterrence, process improvements) and actual savings, suggesting they do see the ultimate, long-term benefit of OIG work to Amtrak and the taxpayer. This suggests that they recognize the value of the OIG work in broader terms.

Overall, the survey results support many of the findings from the internal and stakeholder interviews, particularly around the need for improved approaches to conducting the work. The survey results further suggest that OIG attention is currently focused on internal management issues (though not necessarily those that pose a significant risk, i.e., succession planning), which may be detracting from its ability to fully support its mission.

## **Appendix D Benchmarking with Other OIGs**

### **INTRODUCTION**

As part of the organizational assessment conducted for the Amtrak OIG, the National Academy study team conducted a benchmarking effort that identified leading practices within the OIG community. This effort involved a review of available documents and publications from and about the IG community, as well as interviews with 11 senior staff at five high-performing OIGs.

The five OIGs interviewed included:

- Department of Commerce (DoC), 4 interviewees;
- Department of Justice (DoJ), 2 interviewees;
- Tennessee Valley Authority (TVA), 2 interviewees;
- Department of Energy (DoE), 2 interviewees; and
- Securities Exchange Commission (SEC), 1 interviewee

### **Areas of Interest to Amtrak OIG**

The study team, Academy Panel, and Amtrak OIG leadership identified the following areas to explore in the benchmark interviews:

- Prioritization of OIG Work
- Internal and External Communication
- Quality Work Processes
- Policy Development and Updates
- Processes Guiding Cross-Functional Teams
- Human Capital Management
- OIG Independence
- Performance Measurement

### **SUMMARY OF BENCHMARKING INTERVIEWS**

Each interview touched on many, but not necessarily all of the eight topic areas. The key findings, in terms of their current practices in each area, are synthesized across the interviews and highlighted below.

#### **Prioritization of OIG Work**

All of the OIGs engage in some type of annual process to identify the strategic issues that will frame the work of the office for the coming year. The OIGs vary, however, in the level of rigor that guides their process.

*Shared Practices*

Almost every benchmarked OIG highlighted the importance of strategic planning and annual planning for an organization. Interviewees shared their experiences in developing strategic plans and annual plans.

- A majority of the OIGs developed an overarching multi-year strategic plan that considers current and emerging agency programs, risks, and management challenges.<sup>1</sup> They also developed an annual or periodic OIG work plan (sometimes referred to as an “audit plan,” though a work plan covers more than audits) that identified and prioritized agency programs that would be subject to audit, investigation, inspection/ evaluation in the coming year.
- Typical components of an OIG annual planning process included:
  - A top-down/bottom-up planning approach in which the IG and senior leaders set the strategic direction of the type of work they would like to see performed the coming year; multiple levels of OIG staff then made suggestions about perceived areas of risk, and provided details and context about those areas
  - A thorough scan of the external environment through discussions with agency/department heads, board of directors, Congress, and others. This scan ensured that the OIG was focused on the issues that mattered to their stakeholders and the public. Of note is that the IG collected different perspectives, yet maintained the final decision making authority.
  - Risk assessments and established prioritization/ranking criteria to prioritize critical risk areas
  - An annual review/update of strategic plans, to incorporate unexpected, timely issues
- OIGs highlighted the importance of focusing on issues with high-level, strategic impacts.
- Some benchmarked OIGs found it important to coordinate their work internally and externally with other groups performing independent evaluations to avoid conflicts or overlaps.
- OIGs noted that, once the annual planning is complete, it was important to engage in continuous, candid dialogue with stakeholders throughout the year to discuss on-going areas of perceived risk, share interim findings, and to maintain cooperative relationships with stakeholders.

*Specific Examples*

- One benchmarked OIG followed a rigorous planning process with multiple levels of staff engagement and management review. Staff described it as a “top-down/bottom-up” process: the IG gathered information on high-level risks and priorities from a number of sources, including the Department Secretary, Congressional stakeholders, other oversight organizations and agencies (e.g., NRC, EPA), as well as internal OIG

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<sup>1</sup> Some noted they prepare a “strategic plan” for the OIG, but the interviews focused primarily on how the actual work is planned and prioritized, and did not address internal OIG improvements that would be captured in a strategic plan.

sources; senior leadership then gave overall requirements and strategic direction to the entire OIG, while field staff developed specific details regarding risks.

- One benchmarked OIG worked with a Chief Risk Officer at their agency because safety and risk mitigation was such a critical, organization-wide issue; the agency performed its own Enterprise Risk Assessment which is considered in conjunction with the OIG's risk assessments and strategic planning. The OIG ranked and prioritized all areas of risk identified by both the agency and the OIG according to three factors: materiality, impact operations, and public sensitivity.
- One benchmarked OIG encouraged all staff to submit work suggestions to their supervisor throughout the year. Each year, all audit managers (approximately 25) from seven field offices were invited to HQ to meet with senior leadership and to review and prioritize all the suggestions for the audit plan. The field office whose suggestions made the final prioritization were commended.

### **Internal Communication**

When asked about internal communication practices, interviewees provided a wide range of responses.

#### *Shared Practices*

#### Internal Communications

Benchmarked OIGs discussed their experiences in developing consistent and productive internal communications.

- Almost all interviewed OIGs had strong IG visibility, and IGs who developed cultures that expected senior staff to be visible, to engage with staff at multiple levels, to recognize staff achievements, and to show appreciation for good work.
- Almost every interviewee highlighted the importance of holding frequent, regular meetings within the organization, including:
  - Weekly senior team meetings of the IG and the Deputy/AIGs so that all functional leaders are apprised of ongoing work and issues across the organization;
  - Weekly or frequent meetings of each AIG and his/her staff to discuss status and emerging issues;
  - Periodic meetings (a few times a year) of high-level/mid-level managers from across the OIG, often bringing them in from field locations, to conduct planning and share lessons learned; and
  - Periodic (quarterly or semiannually) all-hands meetings (weekly in some small OIGs).
- In addition to the above scheduled meetings, IGs and senior leaders also had regular, informal gatherings with staff members
- An OIG-specific intranet was used to “push” information out to the staff, such as
  - Messages from the IG; and
  - Reference material, including OIG guidance, policies, forms, links, and other real-time accessible resources.



- Some OIGs published internal newsletters on a regular basis.

### Specific Examples

- One benchmarked OIG offered two-way communication with the staff through an IG's blog on their intranet, and planed to also have AIGs blog according to their specific functional areas.
- One benchmarked OIG hosted weekly video teleconferences with approximately ten different employees from different units. This forum provided an opportunity for people to get to know each other, learn about other's work, and form stronger connections within the organization.
- All employees a benchmarked OIG had access to the current projects, reports, and status of any audit or investigation. Status reports were openly shared and discussed to foster greater transparency and communication within the organization. Employee inputs from all levels were valued, and policy changes were proposed by all levels.
- The intranet at a benchmarked OIG was used at least weekly by most staff and served as a communication mechanism and a performance support tool, offering newsletters from the IG, guidance, forms, and links.
- One benchmarked OIG created a system of weekly reporting sharing employee promotions, status of new and available work and positions, new hires, as well as personal celebrations (e.g., birthdays, marriages, and births).
- One benchmarked OIG met with each division/group head every week to discuss progress of open cases and to review a multi-colored spreadsheet to visually illustrate progress with audits and work streams.

### **External Communication**

#### Shared Practices

Interviewees stressed the need to maintain effective communications with stakeholders to increase transparency, to improve relationships and credibility with stakeholders, and to maintain OIG independence.

- Many benchmarked OIGs stressed the importance of launching educational outreach to stakeholders to clarify the role and responsibility of the OIG.
- A majority of benchmarked OIGs noted that open lines of communication between the IG and Department/agency leadership are crucial, and that the IG engaged with leadership regularly to discuss emerging or potential issues that may warrant IG involvement.
- External lines of communication were maintained with Congressional staffers by the IG, the Deputy, and other senior level executives. Some OIGs have a dedicated Congressional liaison, while others assign that responsibility to a member of the senior team. Regardless of the structure, the OIGs all share a common practice of ongoing, frequent engagement with Hill staff.
- OIGs responded to all Congressional requests in a timely fashion.

*Specific Examples*

- One benchmarked OIG worked hard to develop candid and productive working relationships with key Senate and Congressional Staff and feels comfortable reaching out to them with requests for assistance on challenging issues.
- One benchmarked OIG publically posted its reports on the web concurrently with delivery to Congress, and reached out to Congressional stakeholders upon the release of each report with an offer to brief them. This engaged OIG staff and kept the Hill informed.
- In addition to presenting at board meetings, one benchmarked OIG also distributed a written outstanding issues report quarterly to its Board and the agency senior management, so that each group knew what the other knew

**Quality Work Processes**

All interviewees noted that the OIG needs to follow consistent, commonly accepted work processes, and that OIG work products should be accessible to staff within the entire office and adhere to quality standards.

*Shared Practices*

- Many OIGs developed and updated an operations manual that specified work practices within the office and followed professional standards (e.g., adhere to the Yellow Book standards). The operational manual was made available to all staff through the OIG intranet.
- The IG firmly communicated the expectation that the office will follow the Yellow Book (or other applicable guidance), and that all staff are expected to adhere to that direction.
- Quality assurance was built into the work processes, including check lists, criteria for ensuring adherence to the guidance, and different levels of review and signatures (supervisory and team leader review, legal review, and IG review).
- Management tools were widely used in benchmarked OIGs to track work status; all work was saved on an OIG-specific shared system (i.e., the system is separate from the Department, but accessible to all OIG staff).

*Specific Examples*

- One benchmarked OIG undertook a major revision of its standard operating procedures during a time of organizational change. It tasked each field office to write a specific chapter of the manual with each chapter focused on a specific task or topic. The AIG then compiled the chapters and conducted a master edit before signing off and distributing the guidance. The engagement of all staff in the development of internal procedural guidance increased support for and understanding of the procedures across the OIG.
- One benchmarked OIG uses ProLaw to measure time reporting and milestones.

## **Policy Development and Updates**

All interviewees noted that OIGs need to establish structured, consistent, and current internal policies/guidance across the organization.

### *Shared Practices*

- Policy development typically occurred within the functional areas, with authority for policy updates residing with either the AIG for that area, or the Deputy IG. Ultimately all official policy is signed off by the IG.
- To ensure that internal policies remain current, interviewees emphasized the need to actively monitor information from CIGIE, OMB, GAO, and other external sources for possible impacts on OIG work (e.g., updates to the Yellow Book, relevant government-wide policy changes or legislation, etc.)
- Some OIGs engaged in a vetting process within functional areas and distributed draft policy for comments.
- Many of the larger OIGs maintained an administrative group that plays a role in policy development, though none described this function as playing a key role in the process or as having final authority. Development of content resided within the functional areas to draw on the expertise of the staff.
- Almost all interviewees noted that their policies, forms, links, and other relevant work guidance are made available on their intranets.

### *Specific Examples*

- One benchmarked OIG maintained a top-down/bottom-up process for policy development and updates. The AIG drafted an update or potential change to work process, and then distributed the draft to the field offices for detailed review and comment. This review focused on refining the details of the policy and noting any concerns or challenges. Comments were then collected by the AIG, who drafted and issued the final policy updates. Final policies were distributed formally with a signed instruction from the AIG to update the existing policy manual.
- The AIGs within one benchmarked OIG initiated the process of developing internal process for their staffs. Counsel has taken the role of reviewer and compiler of all policies (a task assignment from their recent strategic planning effort, and not an inherent or routine role for Counsel). The IG ultimately reviewed and signed off on all policies.

## **OIG Independence**

All interviewees noted that independence of the OIG is central to its ability to carry out effective oversight.

### *Shared Practices*

- All OIGs interviewed indicated they had little or no difficulty with maintaining their independence.

- Independence was maintained and enforced through education of stakeholders (e.g., agency leadership, Congress, professional associations, grantees) about the roles and responsibilities of the OIG.
- A majority of interviewees highlighted the importance of maintaining ongoing, transparent engagement with Congressional staff and Department/agency leadership. The IG engaged stakeholders in discussions on issues of concern, but the OIG maintained the final decision-making authorities and did not take direction from these stakeholders.
- OIGs relied on Agencies/Departments for discrete portions of their support functions. Most of the larger OIGs maintained separate IT and HR capabilities, and used Department resources only to process payroll or maintain master employee records. Some benchmarking interviewees suggested that an official contractor memorandum of understanding (MOU) should be established between OIG and the Department for shared services so that OIG independence would not be compromised.
- OIGs noted that adhering to consistent, quality work processes and standards was a good way to maintain OIG independence.

*Specific Examples*

- Because it is such a contractor-dependent department, one benchmarked OIG conducted extensive outreach with various external organizations, including professional associations, about the role of the IG. The outreach was conducted primarily by Investigations, but sometimes joint briefings with Inspections and Evaluations were offered.

**Processes Guiding Cross-Functional Teams**

Cross-functional teams were a common practice in benchmarked OIGs to ensure that appropriate expertise is brought to complex efforts and resources are properly aligned.

*Shared Practices*

- Larger OIGs have established standing cross-functional divisions. These divisions focused on high-profile or complex issues that require joint efforts of both Audit and Investigations, such as issues identified by the Secretary or other high ranking officials, politically sensitive issues that have broad impacts or related to national security.
- Smaller OIGs used cross-functional teams on an ad hoc basis to address specific time sensitive issues. It was noted that cross-functional teams created without a specific project or issue to address were less successful.
- Many OIGs had a dedicated, cross-functional American Recovery and Reinvestment Act (ARRA) team.

*Specific Examples*

- One benchmarked OIG maintained an Oversight and Review Division, which was a cross-functional group that oversees sensitive allegations involving employees (usually from a high-level request) and conducted systemic reviews of agency programs.
- One benchmarked OIG created teams of auditors and investigators to work on specific projects, which had the added benefit of improving internal communication, and breaking down functional silos within the OIG.
- One benchmarked OIG had cross-functional teams for ARRA, (National Oceanic and Atmospheric Administration (NOAA) Fisheries and Enforcement work, program audits, and contract and grant work.
- One benchmarked OIG assigned a member of the legal team members to each audit. This attorney attended the entrance conference, reviewed the project plans to understand the scope and issues related to the audit, and consulted with the team lead. They were the legal “point person” throughout the life of that audit.

### **Human Capital Management**

The benchmarked OIGs did not face the same challenges currently faced by Amtrak OIG in terms of hiring challenges and a potentially large number of pending retirements. Thus, human capital management was not explored in depth with these interviewees, but the following findings were distilled from the overall conversations.

One benchmarked OIG has increased its overall staff size in order to bring in fresh new talent. Another benchmarked OIG experienced a major turnover in staffing within the office of Investigations in 1995, and the OIG overall does not have either high attrition or difficulty attracting high quality candidates. Two benchmarked OIGs noted they have taken advantage of the downturn in the economy over the past two years and are recruiting staff who might otherwise seek employment in the private sector.

### *Shared Practices*

- Some interviewees stressed the importance of recruiting and actively engaging new employees. New employees typically became part of official mentoring programs, and were given a checklist of first year expectations.
- Different retention strategies were established in benchmarked OIGs, including:
  - Robust, ongoing training programs to develop staff professional skills;
  - Assignments that allow “stars” to progress and stretch;
  - Rotation of staff into HQ and field offices to develop institutional knowledge, technical skills, and leadership capabilities;
  - Cross-functional teams to expose high performers to new areas;
  - Individual development plans with training requirements and objectives; and
  - Recognizing and rewarding high-performance employees.
- Many interviewees stressed the needs of establishing criteria for expected performance and utilizing pay-for-performance incentives.
- Interviewees discussed the importance of adhering to consistent job titles and utilizing standard job descriptions in order to compare staff performance.

- In many OIGs, ongoing training was provided to staff members at all levels to ensure that staff had the skills to take on high-level work and follow standards.

*Specific Examples*

- One benchmarked OIG hosted an orientation session every 6 months for new employees. The IG also met with every new employee individually to forge a personal connection.
- One benchmarked OIG disseminated 50-60 awards per year (among a staff of 450) as part of an annual public award ceremony
- In one benchmarked OIG, each auditor had an individualized training plan that was completed by their supervisor/office head.
- One benchmarked OIG had a mentor program within the Investigation group. They assigned mentors to new staff (GS-7) and prepared a checklist of 25-40 items that must be completed within the first year. When an employee reached the GS-13 level he or she was encouraged to become a “Relief Agent in Charge,” who served as an acting supervisor and received leadership training.
- The leadership at one benchmarked OIG reported taking part in new hire orientation by introducing his or her functional responsibilities.
- One benchmarked OIG assigned mentor/mentee relationships that remain in place for three years. Auditors were sent to the IG community for training and have a three-year mentoring program.
- One benchmarked OIG has found tremendous value in rewarding high-quality work with monetary bonuses and extra paid time off.

**Performance Management**

Only a few of the interviews explored this topic in depth as all IGs interviewed indicated that effective performance measurement was an area in which they were all currently trying to improve.

*Shared Practices*

- It was agreed that practical and effective performance metrics should include both quantitative and qualitative measures.
  - All benchmarked OIGs collected and reported on the statutory measures, such as the number of recommendations issued, the number of reports issued, the number of Congressional testimonies, the number of indictments and convictions.
  - OIGs recognized the need to consider meaningful subjective measures, as quantitative measures alone are inadequate indicators of the actual impacts of OIG work.
- Some OIGs solicited feedback from stakeholders on the quality of OIG recommendations as an indicator of their performance.

*Specific Examples*

- One benchmarked OIG considered feedback from the Department/agency leadership as an indication of their performance. They considered fewer requests to testify before Congress a positive outcome and an indication of the strength of their reports.
- The AIG for Investigations within one benchmarked OIG cited several outcome measures with quantified goals (e.g., 70% acceptance rate of cases accepted for prosecution). These are clearly related to the quality of the processes that guide the prioritization and conduct of the work.
- One benchmarked OIG received considerable stakeholder feedback, and engaged the stakeholder before a report was published. Recommendations were reviewed for “reasonableness” to ensure they were actionable and more likely to be implemented
- One benchmarked OIG received considerable stakeholder feedback, and engaged the stakeholder before a report was published. Recommendations were reviewed for “reasonableness” to ensure they were actionable and more likely to be implemented

**Benchmark Interviewees**

Lisa Allen	Chief of Staff, DOC OIG
Ann Eilers	AIG, Office of Audit and Evaluation, DOC OIG
Glenn Fine	Inspector General, DOJ OIG
Wade Green	Acting Deputy Inspector General/General Counsel, DOC OIG
John Hartman	AIG, Investigations, DOE OIG
Rickey Hass	AIG, Audits, DOE OIG
David Kotz	Inspector General, SEC OIG
Richard Moore	Inspector General, TVA OIG
Cynthia Schnedar	Deputy Inspector General, DOJ OIG
Ben Wagner	Deputy Inspector General, TVA OIG
Todd Zinser	Inspector General, DOC OIG



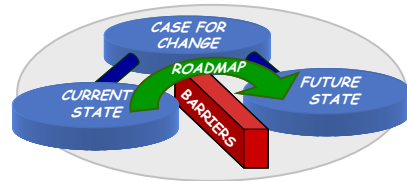
# Appendix E: Baseline Summary

## Current State

- OIG historically had minimal communication between and among Executive team and functional groups
- New members of Executive team have been well received by staff, and IG made a good number of early wins that won him credibility with stakeholders
- Staff waiting to see what changes leadership plans to undertake. Staff feel they have received little communication about vision & next steps, so there is fear about anticipated change and job security
- Recognized need by OIG staff and stakeholders that OIG needs to start doing higher-value work of impact to Amtrak, and to follow consistent, quality processes
- OIG has had limited communication with stakeholders. Stakeholders – both Amtrak and Hill - feel that historically they have been alerted to issues too late
- Independence of OIG and relationship with the Board has been strengthened since IG hire...need to institutionalize processes so no “slippage”

## Case for Change

- New IG and leadership team hail from high-performing OIGs; can educate and communicate “what a successful OIG does” to Amtrak, OIG employees, and stakeholders
- Culture of fear and anxiety is not healthy or sustainable
- Many OIG employees express desire to do higher-quality work that they can take pride in, and welcome learning about OIG best practices
- Investigators’ firearms were revoked; minimally passed CIGIE peer review; lack of clarity about need for Amtrak OIG since DOT OIG is viewed as strong....OIG needs to change lest it be taken over



## Barriers

- Culture of limited communication and “information/resource hoarding”
- Perception that different OIG staff might have different agendas; despite vocalized support for new OIG direction, all employees might not be willing to make necessary changes
- While recognized need to do more strategic work, anxiety about what this means for job security and day to day routines
- Many OIG near retirement and may not welcome changes

## Future State

- Has effective internal communication strategies that allow all OIG staff to be informed and invested in achieving a high-performance, high-accountability organizational mission.
- Has constructive relationships with Amtrak and Congressional stakeholders that enable it to gather and share information about potential areas of risk, while maintaining independence and transparency.
- Has a work planning and prioritization process that engages stakeholders in identifying and reducing areas of perceived risk, and fully assesses the nature, scope and inherent risks of Amtrak programs and operations.
- Consistently follows commonly accepted work practices and standards both within functional areas and across locations. Work adheres to established quality standards and, as appropriate, is accessible and transparent to OIG staff.
- Has an independent and transparent relationship with its stakeholders, in accordance with the letter and spirit of the IG Act and applicable industry standards. Each stakeholder group has a clear understanding and a practical, applied definition of what it means to have transparent interactions with an independent OIG.
- Maintains and applies current, accurate and consistent policy across the office; has a process to monitor changes in the external environment that affect its work practices and a mechanism to incorporate those changes into internal policy; and makes all guidance easily accessible to staff.
- Attracts and retrain high-performing employees; has consistent job titles and job descriptions, and has in place training plans and performance management plans that link individual performance to OIG objectives.
- Has performance metrics that reflect the requirements of the IG Act, meet the expectations of GAO and Congress, reflect the value of the OIG work to Amtrak; and aligned with OIG strategic goals. These metrics are integrated into the OIG’s operating and performance management systems.

**Appendix F**  
**Crosswalk to Strategic Goal Six**

<b>STRATEGIC GOAL 6 LEADING BY EXAMPLE AS A MODEL OIG ORGANIZATION. (OIG OPERATIONS)</b>		<b>BENCHMARK AREAS</b>
<b>Goal 6.1</b>	<b>Deliver timely quality products and services that add value to the Board, management, and the Congress.</b>	
Goal 6.1 a	Conduct risk assessments of Amtrak programs to develop appropriate strategies for investigative or audit coverage.	Work Planning and Prioritization
Goal 6.1 b	Prepare a risk-based project plan to determine the priorities of OIG activities.	Work Planning and Prioritization
Goal 6.1 c	Assure that all OIG products address the objective(s), meet the highest quality standards, and are timely.	Work Planning and Prioritization Quality Work Processes
Goal 6.1 d	Establish and implement a process to track and follow-up on OIG findings, recommendations, and advice to Amtrak, and Amtrak's response or implementation.	Work Planning and Prioritization External Communication
Goal 6.1 e	Update policies and procedures manuals to include all applicable professional standards and enhanced internal quality assurance programs.	Work Planning and Prioritization Quality Work Processes
Goal 6.1 f	Respond to inquiries and complaints in a timely and effective manner.	Quality Work Processes External Communications
Goal 6.1 g	Operate a hotline to receive complaints of fraud, waste, abuse, and mismanagement as well as whistleblower complaints.	Work Planning and Prioritization Quality Work Processes
Goal 6.1 h	Conduct training in fraud awareness and the role of the OIG.	Work Planning and Prioritization Human Capital Management External Communications
Goal 6.1 i	Investigate and resolve allegations of criminal and administrative misconduct or fraud efficiently and thoroughly.	Work Planning and Prioritization
<b>Goal 6.2</b>	<b>Strengthen OIG Human Resource Management.</b>	
Goal 6.2 a	Assure that the OIG staff possesses the skills and experience to accomplish the OIG mission through sustained training and career development opportunities.	Human Capital Management
Goal 6.2 b	Develop and implement a comprehensive recruiting program that attracts a diverse population with the knowledge, skills, abilities, and expertise necessary to make meaningful contributions to the OIG.	Human Capital Management

*Appendix F*

Goal 6.2 c	Create and maintain an environment within the OIG that attracts, develops, and retains a talented and diverse workforce and where employees feel valued, appreciated, and respected.	Human Capital Management Internal Communications
Goal 6.2 d	Develop and update goal-based and results oriented performance plans that are aligned with the OIG strategic vision that creates and sustain a results-oriented, high-performance culture within the OIG.	Human Capital Management Internal Communications
<b>Goal 6.3</b>	<b>Enhance internal and external communication, coordination, and information sharing.</b>	
Goal 6.3 a	Continue to improve relationships and communications between the OIG and Amtrak management.	External Communications
Goal 6.3 b	Establish collaborative relationships and regular communications with Congress, the Board of Directors, and regulatory oversight bodies.	External Communications
Goal 6.3 c	Enhance coordination and communication among the General Counsel, Audit, I&E, M&P, and Investigations groups within the OIG.	Internal Communications Policy Management and Updates Quality Work Processes
Goal 6.3 d	Improve OIG communications and work products, including working papers, reports, memoranda, and correspondence.	Internal Communications External Communications Quality Work Processes
Goal 6.3 e	Promote the Hotline as a tool for reporting fraud, waste, and abuse through OIG publications and brochures, the Internet, and company-wide exposure.	External Communications
<b>Goal 6.4</b>	<b>Continue to Improve OIG Business Processes.</b>	
Goal 6.4 a	Identify efficiencies and opportunities to streamline OIG internal processes to conform with the OIG community and Federal government best practices.	Work Planning and Prioritization Quality Work Processes
Goal 6.4 b	Increase/expand participation in OIG community activities, e.g., CIGIE, etc.	External Communications
Goal 6.4 c	Develop milestones and metrics for measuring timeliness and effectiveness of internal and external operations.	Performance Measurement Quality Work Processes
Goal 6.4 d	Develop and implement a robust strategic planning process.	Work Planning and Prioritization
Goal 6.4 e	Identify the needs of stakeholders and provide fact-based, independent, objective, and high quality products and services to meet them.	Work Planning and Prioritization External Communications
<b>Goal 6.5:</b>	<b>Leverage OIG's cutting-edge technology infrastructure.</b>	
Goal 6.5 a	Provide the support structure and technological tools and equipment that will enable OIG staff to effectively and efficiently produce quality and timely products.	Policy Management and Updates Quality Work Processes

**Appendix G**  
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**Appendix H**  
**Amtrak OIG Organizational Assessment Panel**

**John M. Kamensky**, *Chair* Associate Partner, IBM Global Business Services; Senior Fellow, IBM Center for the Business of Government. Former Deputy Director, National Partnership for Reinventing Government; Assistant Director, U.S. Governmental Accountability Office; Staff, Texas Constitutional Convention; Staff, Texas House of Representatives.

**Cheryle A. Broom** King County Auditor, King County Auditor's Office, State of Washington. Former First Deputy Inspector General, Office of Inspector General, New York State Metropolitan Transportation Authority; Legislative Auditor, Washington State Joint Legislative Audit and Review Committee; Program Staff Director, King County Council; Citizen Participation Project Coordinator, U.S. Department of Health, Education and Welfare. Former positions with U.S. General Accounting Office: Evaluator; Performance Audit Manager; Auditor; Program Budget Analyst; Investment Analyst.

**Harold I. Steinberg** Technical Director, Federal, State and Local Government Performance Reporting Programs, Association of Government Accountants. Former Deputy Controller/Acting Controller, Office of Federal Financial Management; Member, Federal Accounting Standards Advisory Board; Partner-in-Charge, Federal Government Practice, KPMG; Associate Director for Management, U.S. Office of Management and Budget.

**Regina V.K. Williams** City Manager, City of Norfolk, Virginia. Former City Manager and Assistant City Manager, City of San Jose, California; Senior Deputy City Manager and Chief of Staff, City of Richmond, Virginia; Director of Personnel and Training, Commonwealth of Virginia; Director of Personnel, City of Richmond, Virginia.