



Memorandum

To: Gerald Sokol, Jr,
Executive Vice President/Chief Financial Officer

David R. Warren

From: David R. Warren
Assistant Inspector General, Audits

Date: December 21, 2015

Subject: Engagement Memo—Capital and Operating Budget Best Practices
(Project Code 003-2016)

We are initiating an audit of the company's annual budgeting process. The objective of this audit will be to determine the extent to which the company is employing best practices in formulating annual budgets, including operating and capital budgets, that provide a sound basis for funding and investment decisions.

During the audit, we plan to interview company officials and analyze documents and data related to the company's budget formulation process. We will make our requests for documents as our work progresses. We will also work to minimize the impact of the audit by coordinating interviews and observations with staff in advance.

Our work will be performed in accordance with generally accepted government auditing standards. Our interactions with the company will be consistent with P/I 2.1.3, which sets forth the relationship between our office and the company. In particular, section 7.0 of the policy discusses coordination between company officials and our Office of Audits. To view this policy, see

<http://wiki.corp.nrpc/display/APIM20/2.0+Inspector+General>

We request that your office arrange an entrance conference for us with the appropriate company officials at the earliest possible date. We will keep you advised of the status of our work and any material changes in our audit objective, should they occur.

Whitney Miller will be the audit manager responsible for this engagement and reports to Eileen Larence, Senior Director – Lead. If you have any questions, please contact me at 202-906-4742 (david.warren@amtrakoig.gov) or Eileen Larence, Senior Director – Lead, Audits at 202-906-4152 (eileen.larence@amtrakoig.gov).

cc: Eleanor Acheson, Executive Vice President, Chief Legal Officer
Stephen Gardner, Executive Vice President/Chief NEC Business Development
Matt Hardison, Executive Vice President/Chief Marketing and Sales Officer
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Jason Molfetas, Executive Vice President/Chief Information Officer
DJ Stadtler, Jr. Executive Vice President/Chief Operations Officer
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