



OFFICE *of* INSPECTOR GENERAL
NATIONAL RAILROAD PASSENGER CORPORATION

Financial Management:

Quality Control Review of Amtrak's Single Audit for
Fiscal Year 2025

OIG-A-2026-005 | May 28, 2026

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Memorandum

To: Joel Szabat
Chairman, Audit and Finance Committee
Amtrak Board of Directors

Costin Corneanu
Executive Vice President, Chief Financial Officer

From: Kevin H. Winters *K. H. Winters*
Inspector General

Date: May 28, 2026

Subject: *Financial Management: Quality Control Review of Amtrak's Single Audit for Fiscal Year 2025 (OIG-A-2026-005)*

Amtrak (the company) contracted with the independent public accounting firm Ernst & Young LLP to audit its consolidated financial statements as of September 30, 2025, and for the year then ended, and to provide a report on internal control over financial reporting and on compliance and other matters, which they issued on December 12, 2025.¹ Because the company receives federal financial assistance, it must obtain an audit performed in accordance with U.S. generally accepted government auditing standards.

The contract also required Ernst & Young to perform a Single Audit of the company's federal financial assistance for the fiscal year ended September 30, 2025, in accordance with the audit requirements of 2 C.F.R. 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). The objective of the Single Audit was to test internal control over compliance with major federal program award requirements and determine whether the company complied with the laws, regulations, and provisions of contracts or grant agreements that may have a direct and material effect on its major federal programs.

¹ Ernst & Young LLP, *Fiscal Year 2025 Report of Independent Auditors on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*, dated December 12, 2025.

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Major federal programs are those with the larger and higher-risk expenditures, as determined using the Uniform Guidance. In fiscal year 2025, Ernst & Young identified one such program: the Department of Transportation's National Railroad Passenger Corporation Grants.

On May 20, 2026, Ernst & Young issued an unmodified compliance opinion on the major federal program it reviewed, concluding that "Amtrak complied, in all material respects, with the compliance requirements . . . that could have a direct and material effect on its major federal program" for the period covered by its report.² Ernst & Young identified, however, three significant deficiencies³ in the company's internal control over compliance, related to the following:

- Special Tests and Provisions - A repeat finding related to deficiencies in the review of compliance matrices
- Equipment and Real Property Management - A repeat finding for failure to conduct required physical inventories, along with a new finding related to inadequate safeguarding of equipment
- Procurement, Suspension, and Debarment - A new finding involving failure to include required grant provisions, perform suspension and debarment checks, and document sole-source justifications for the procurement of external legal services

Ernst & Young also identified other deficiencies in internal control over compliance that it determined did not rise to the level of a significant deficiency, which it communicated to the company on May 19, 2026.

As required by the Inspector General Act of 1978, we monitored the audit activities of Ernst & Young to help ensure audit quality and compliance with auditing standards. Our review disclosed no instances in which Ernst & Young did not comply, in all

² Ernst & Young LLP, Fiscal Year 2025, *Report of Independent Auditors on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance*, dated May 20, 2026.

³ American Institute of Certified Public Accountants (AICPA) defines a *significant deficiency in internal control over compliance* as "a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance." See: *AICPA Audit Guide: Government Auditing Standards and Single Audits*, April 1, 2025.

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material respects, with U.S. generally accepted government auditing standards and Uniform Guidance requirements.

We monitored Ernst & Young's audit activities by attending key meetings and reviewing its reports, audit plans, detailed audit testing results, summary workpapers, audit quality controls, auditor independence, and qualifications.

Our monitoring activities, as differentiated from an audit in accordance with U.S. generally accepted government auditing standards, were not intended to enable us to express an audit opinion. Therefore, we do not express an opinion on compliance for the major program, conclusions about the effectiveness of internal control over compliance, or whether the Schedule of Expenditures of Federal Awards is fairly stated. Ernst & Young is responsible for its report dated May 20, 2026, and the conclusions expressed in the report.

If you have any questions, please contact me at Kevin.Winters@amtrakoig.gov or at 202-906-4600.

OIG MISSION AND CONTACT INFORMATION

Mission

The Amtrak OIG's mission is to provide independent, objective oversight of Amtrak's programs and operations through audits and investigations focused on recommending improvements to Amtrak's economy, efficiency, and effectiveness; preventing and detecting fraud, waste, and abuse; and providing Congress, Amtrak management and Amtrak's Board of Directors with timely information about problems and deficiencies relating to Amtrak's programs and operations.

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Report suspicious or illegal activities to the OIG Hotline

www.amtrakoig.gov/hotline

or

800-468-5469

Contact Information

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