

A Paper by a Panel of the

**NATIONAL ACADEMY OF
PUBLIC ADMINISTRATION**

For Amtrak Office of the Inspector General

July 28, 2010

**Office of Inspector General
Organizational Assessment**

Panel

John Kamensky, Chair*

Cheryle Broom*

Harold Steinberg*

Regina V.K. Williams*

** Academy Fellow*

Officers of the Academy

Kenneth S. Apfel*, *Chair of the Board*
Timothy B. Clark*, *Vice Chair*
Jennifer L. Dorn*, *President and Chief Executive Officer*
Diane M. Disney*, *Secretary*
John J. Callahan*, *Treasurer*

Panel Members

John Kamensky*, *Chair*
Cheryle Broom*
Harold Steinberg*
Regina V.K. Williams*

Project Staff Team

Lena Trudeau, *Vice President*
Lois Fu, *Program Area Director*
Elizabeth Frazier, *Project Director*
Brenna Isman, *Senior Advisor*
Robert Giusti, *Senior Advisor*
Leslie Overmeyer-Day, *Senior Analyst*
Chloe Yang, *Research Associate*
Martha S. Ditmeyer, *Senior Administrative Specialist*

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

National Academy of Public Administration
900 7th Street, N.W.
Suite 600
Washington, DC 20001-3888
www.napawash.org

July 28, 2010

Academy Project Number: 2279

* *Academy Fellow*

TABLE OF CONTENTS

Executive Summary	5
Introduction and Overview of the Organizational Assessment.....	9
Introduction.....	9
About Amtrak OIG	10
Background	10
Project Description.....	12
Methodology	12
Core Strengths of the Office of the Inspector General.....	15
Observations and Discussion	15
Effective Communication	
Topic Area 1: Internal Communications.....	19
Desired Future State.....	19
Observations and Discussion	19
Panel Suggestions for OIG Consideration	21
Topic Area 2: External Communications	23
Desired Future State.....	23
Observations and Discussion	23
Panel Suggestions for OIG Consideration	25
Operational Planning and Processes	
Topic Area 3: Work Planning & Prioritization	29
Desired Future State.....	29
Observations and Discussion	29
Panel Suggestions for OIG Consideration	31
Topic Area 4: Quality and Timely Work Processes	32
Desired Future State.....	32
Observations and Discussion	32
Panel Suggestions for OIG Consideration	34
Foundational Elements	
Topic Area 5: Independence	39
Desired Future State.....	39
Observations & Discussion.....	39
Panel Suggestions for OIG Consideration	41
Topic Area 6: Policy Management & Updates.....	42
Desired Future State.....	42
Observations and Discussion	42
Panel Suggestions for OIG Consideration	43
Topic Area 7: Human Capital Management.....	44
Desired Future State.....	44
Observations and Discussion	44
Panel Suggestions for OIG Consideration	48
Topic Area 8: Performance Measures	49
Desired Future State.....	49
Observations and Discussion	49
Panel Suggestions for OIG Consideration	51
Conclusion	53

APPENDICES

Appendix A. Content Analysis OIG Senior Staff Interviews	A-1
Appendix B. Content Analysis OIG Stakeholder Interviews	B-1
Appendix C. Summary of Staff Survey Results	C-1
Appendix D. Benchmarking with Other OIGs	D-1
Appendix E. Baseline Summary	E-1
Appendix F. Crosswalk to Strategic Goal Six	F-1
Appendix G. Bibliography.....	G-1
Appendix H. Panel Biographies.....	H-1

Executive Summary

This report by the National Academy of Public Administration (National Academy) is the product of an organizational assessment requested by the Amtrak Office of Inspector General (Amtrak OIG). The National Academy commends Amtrak OIG for commissioning this independent assessment of its own operations, with the objective of embracing the best practices in the Inspectors General community in order to better meet its strategic goal of becoming a model OIG within the community.

To assess Amtrak OIG's organization, a team of National Academy staff and a National Academy Panel of experts conducted an organizational assessment that covers eight dimensions of a well-functioning organization. The National Academy interviewed 17 Amtrak OIG staff, including the entire OIG senior management team and senior staff who participated in the Strategic Planning Process; surveyed 91 Amtrak OIG staff with a response rate of 90%; interviewed 18 OIG stakeholders internal and external to Amtrak; interviewed 12 members of well-respected, industry-leading IG offices; analyzed data; and conducted secondary research.

The Panel offers nineteen observations/suggestions in three major categories and eight specific areas, as outlined below. For each of the three major categories, the report provides an overarching goal statement to help set direction as the Amtrak OIG strives for excellence. For each specific area, the report defines the desired "future state", discusses Amtrak OIG's strengths and weaknesses as they relate to this desired future state, and then makes suggestions for immediate steps to undertake. The Panel determined that progress in these eight areas would significantly contribute to operational improvement at Amtrak OIG. The Panel's suggestions reflect practices that industry-leading OIGs have already instituted, yet take into account the unique needs of the Amtrak OIG and the progress that has already been made, as well as the organization's capacity constraints.

The goal statement for each major category and the desired future state for each benchmarked area are as follows:

Effective Communication

The Amtrak OIG seeks to maintain open and multi-directional communication, both within the organization and with its various partners and stakeholders. Such communication will be accurate and timely, to promote and support trust, transparency, and effective decision making. To that end, the following desired future states should be pursued:

- **Internal Communications.** Amtrak OIG is an organization with effective internal communication strategies that allow all OIG staff to feel informed and invested in achieving a high-performance, high-accountability organizational mission.
- **External Communications.** Amtrak OIG has constructive relationships with agency and Congressional stakeholders that enable it to gather and share information about potential areas of agency risk, while maintaining independence and transparency.

Operational Planning and Processes

The Amtrak OIG seeks to enhance and maintain its work processes to support a culture of continuous improvement. To that end, the following desired future states should be pursued:

- **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 Amtrak OIG to more effectively allocate its resources to this work.
- **Quality and Timely Work Processes.** Amtrak OIG follows consistent, commonly accepted work practices both within functional areas and across locations. As appropriate, work is openly accessible and transparent to staff within the entire office, and adheres to quality standards.

Foundational Elements

The Amtrak OIG is built on a foundation of standards of professional excellence that integrate the values, vision and outcomes of a model IG operation. To that end, the following desired future states should be pursued:

- **Independence.** Amtrak OIG has an independent and transparent relationship with its stakeholders, in accordance with the letter and spirit of the IG Act and applicable industry standards, and each of its stakeholder groups 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 current, accurate and consistent policies 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.
- **Human Capital Management.** Amtrak OIG attracts and retrain high-performing employees; has consistent job titles and descriptions, and has training plans and performance management plans that link individual performance to OIG objectives.
- **Performance Measures.** The Amtrak OIG has performance metrics that reflect the requirements of the IG Act, meet the expectations of GAO and Congress, consider the value of the OIG work to Amtrak and are aligned with OIG strategic goals. These metrics are integrated into the OIG's operating and performance management systems.

As noted earlier, throughout the report, the Panel offers nineteen specific suggestions that span the eight areas listed above. A complete list of these nineteen suggestions can be found in the Conclusion. However, the Panel recognizes that the Amtrak OIG leadership not only faces resource constraints, but must also take into account the amount of change that staff can effectively assimilate in a short period of time. Therefore, the Panel believes that the following items should be prioritized, and recommends that implementation roadmaps be developed for them during Phase Two of the project:

1. ***Development of standardized, quality processes with associated training*** – The need for standardization of processes to improve and enhance the quality of work being done by OIG staff was highlighted by all data sources and is clearly an area in need of immediate focus.
2. ***External outreach plan to stakeholders, including development of enhanced website*** – Continuing communication efforts and content improvements are critical to effective stakeholder outreach and education, which is paramount to the OIG’s continued viability. Communicating the value of the Amtrak OIG, its roles and responsibilities as they relate to Amtrak, and its unique contributions requires communication tools, including a more effective and user-friendly website.
3. ***Human Capital Management Plan, including recruitment, performance ratings, and succession planning*** – Conducting an analysis of current human capital management practices and identifying gaps will enable the OIG to move forward in completing a comprehensive needs assessment and improvement strategy for managing this key OIG resource.

This Page Left Intentionally Blank

Introduction and Overview of the Organizational Assessment

Introduction

The Amtrak OIG has recently emerged from a difficult period of change. After 20 years under the leadership of the first and only Amtrak Inspector General (IG), the former IG unexpectedly retired in June 2009, which accentuated long-standing disputes between Amtrak management and the Amtrak IG as well as disputes about the role of the IG within Amtrak. Also, in September 2009 a peer review revealed that the Amtrak OIG's policies and procedures were out-of-date and did not fully incorporate the latest *Government Accounting Standards*. The Amtrak OIG was in need of experienced, credible leadership from the IG community that could provide the vision and structure to transform the office into an industry-leading, model OIG. Amtrak's Board of Directors launched a comprehensive search for a new IG in the fall 2009, which resulted in the appointment of Ted Alves, a seasoned member of the IG community, in November 2009.

With multiple stakeholders inside and outside the company, the OIG must provide information to decision-makers in an efficient, reliable, and useful manner. The OIG's work is aimed at improving Amtrak's management, operations, and delivery of services to the public and ensuring responsible stewardship of public funds.

The National Academy Panel commends Amtrak OIG for commissioning this independent assessment of its own operations. This assessment was not undertaken with a pre-determined outcome in mind, but was inspired by the OIG leadership's commitment to continuous improvement and to embracing IG industry best practices. The OIG as an office, and the staff who comprise it, satisfy an important need at Amtrak, a need which stakeholders value. Room for improvement always exists in any organization, however, and that is the principle that guided this work.

It is important to note that the willingness of the OIG to engage both staff and stakeholders in this organizational assessment—and in the candid process of identifying areas in need of improvement—enhanced the credibility of the Amtrak OIG among many of its stakeholders. At a time when the entire Federal government is being called upon 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, as reflected in Goal Six of its FY 2010-2015 Strategic Plan—"Leading by example as a model OIG organization."

With new leadership at the top and an updated Strategic Plan completed, the new IG and his leadership team are well-positioned to influence the culture and performance of both the OIG and Amtrak.

About Amtrak OIG

Mission

Amtrak, created by the Rail Passenger Service Act in 1970, operates as a for-profit corporation providing intercity passenger rail service. As the company receives a significant amount of federal funding, Congress established the Amtrak OIG in 1989, in accordance with the IG Act of 1978 (the 1988 amendments). The mission of the Amtrak OIG 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 operations¹.”

Background

As previously noted, after 20 years under the leadership of the first and only Amtrak IG and a period of significant tumult due to concerns about the operational independence of the former IG, a comprehensive search for a new IG was launched last fall. Ted Alves was appointed in November 2009.

A number of critical changes were undertaken in the first six months of the new IG’s tenure: a new Deputy IG position was created; a distinct Investigations Division was created and an experienced Assistant Inspector General (AIG) for Investigations was hired; and an Acting AIG for Audits was appointed. The office also completed a *Strategic Plan for Fiscal Year 2010-2014*, which identified OIG goals that are aligned with Amtrak’s mission and goals. In addition to the first five strategic goals that parallel Amtrak’s goals, the OIG added a Goal Six relating to internal operations—“Leading by example as a model OIG organization.” The spirit of Goal Six is what guided this Organizational Assessment.

The Consolidated Appropriations Act of 2010 required Amtrak management and the OIG to develop a new set of relationship policies and procedures that “are consistent with the letter and the spirit of the Inspector General Act of 1978”. In March, Carl Clinefelter, the Vice Chairman of the Council of the Inspectors General on Integrity and Efficiency (CIGIE), reviewed the new relationship document and confirmed that the new policies and procedures comply with the letter and spirit of the IG Act. According to the Appropriations Act, a different CIGIE member will conduct an independent assessment of the operational independence of the OIG one year after the conclusion of the first peer assessment, to ensure that the new policies have been implemented and have contributed to the development of professional working relationships between Amtrak and the OIG.

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

The new leadership team is committed to refocusing and reinvigorating the Amtrak OIG, and recognizes the need to maximize the efficiency and effectiveness of its internal organization and operations to successfully deliver on its mission. The results presented here identify and prioritize the internal OIG changes that are needed to achieve the goals outlined in the OIG Strategic Plan.

Budget

Amtrak OIG used to submit its budget request to Congress as part of Amtrak's annual grant request. However, to maintain OIG independence and a productive relationship with Amtrak, Congress determined that Amtrak OIG should no longer rely on the company for its funding. As a result, the Consolidated Appropriations Act of 2010 authorized a direct appropriation of \$19 million for the Amtrak OIG.

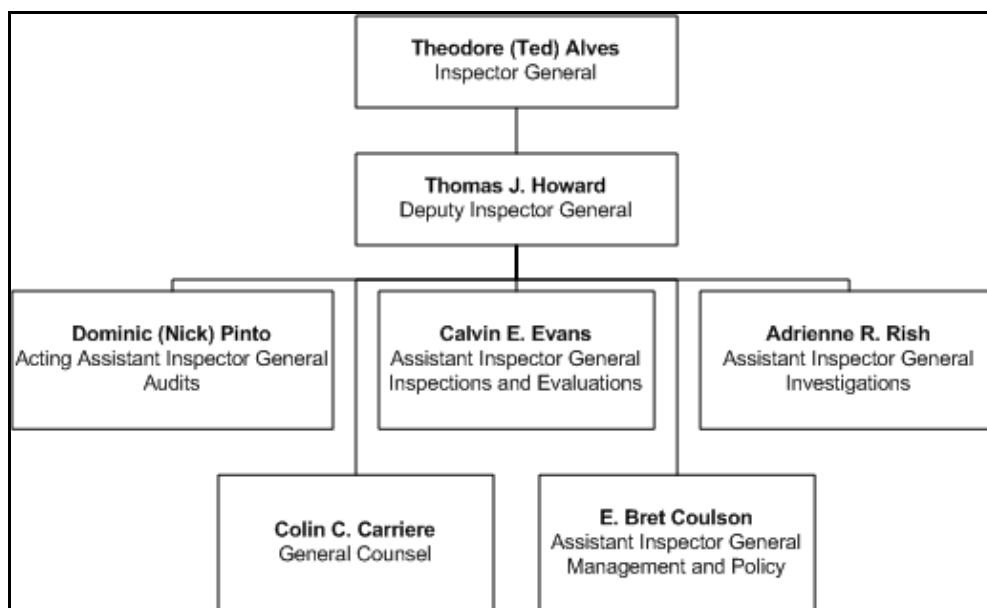
IG Appointment Process

The Amtrak IG is one of the 30 Designated Federal Entity IGs, and is appointed by and reports to the Chairman of Amtrak Board of Directors.

Organizational Structure

The Amtrak OIG is led by the IG, Ted Alves. In addition to the headquarters in Washington DC, Amtrak OIG has seven field offices located in Baltimore, Boston, Chicago, Los Angeles, New York, Philadelphia and Wilmington, DE. The OIG is organized into five areas of responsibility, including Audits, Inspections and Evaluations, Investigations, Management and Policy, and Counsel to Inspector General. Its current management/organizational structure is shown in Figure 2:

Figure 2: Amtrak OIG Organizational Chart²



Project Description

The Amtrak OIG has engaged the Academy to conduct an organizational assessment that examines the current operations of the OIG and assists the OIG in identifying business process and other improvements needed in order to become a model OIG. The project encompasses one core task and one optional task:

- Organizational Assessment (core task)
- Implementation Roadmap (optional task)

This paper represents the completion of the Organizational Assessment.

Methodology

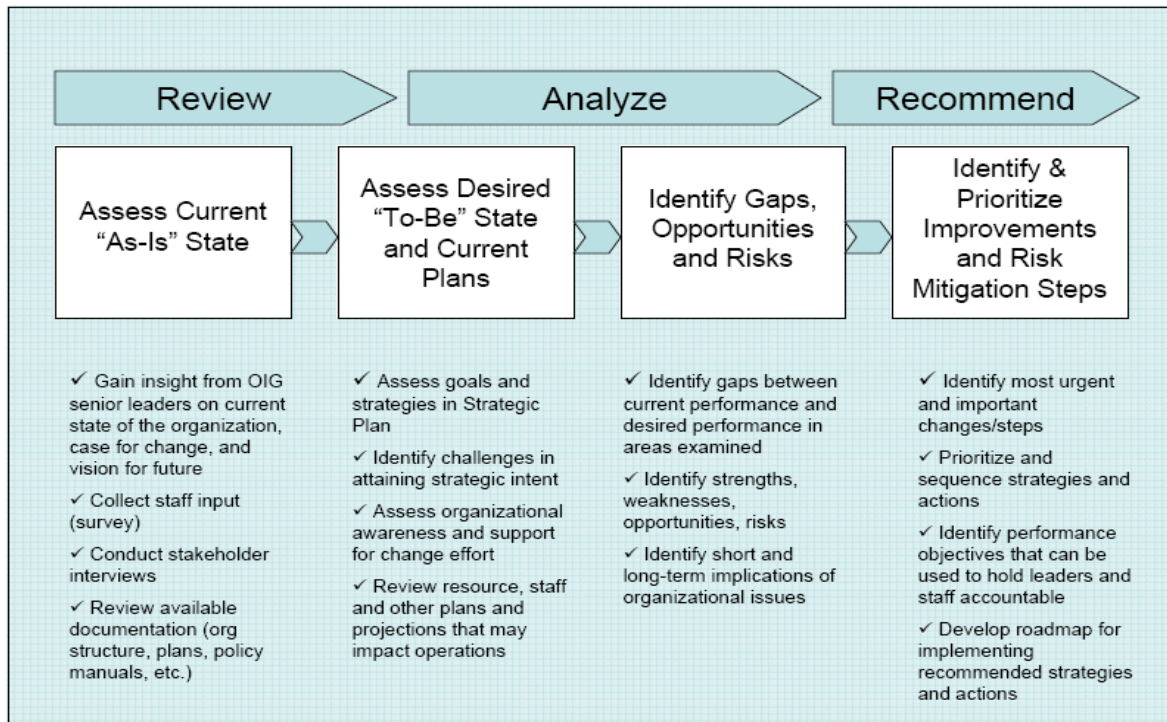
The project team has employed a straightforward and commonly accepted approach to organizational assessment that is built around the following key questions:

1. Where are we? Defining the as-is state of the organization.
2. Where do we need to be? Addressing the desired future state.
3. What's keeping us from it? Identifying the barriers or challenges to achieving the desired future state.

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

Our approach is summarized in Figure 1 below.

Figure 1: Project Approach



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

- 17 interviews with the OIG senior team and staff members who participated in the strategic plan development;
- 18 interviews with OIG stakeholders, including representatives of the Amtrak Leadership team, all four members of the Amtrak Board of Directors, Congressional committee staff
- 12 representatives of comparable IG offices that are considered "high performing" within the IG community;
- A survey of all OIG staff (91), with responses from 90%; and
- An extensive review of relevant documents, including strategic plans, CIGIE reports, 2009 Audit Peer Review, the IG Congressional Testimony, etc.

The Academy appointed four Fellows to the expert Panel directing and overseeing this study. The Panel conducted two meetings; provided guidance concerning this study team's research and analysis; and deliberated and approved the findings, conclusions, and recommendations in this paper. Appendix H provides the names and biographies of the Panel members.

This Page Left Intentionally Blank

Core Strengths of the Office of the Inspector General

The organizational assessment identified a number of strengths of the Amtrak OIG, which are assets that can be leveraged in addressing its challenges. All sources of data support a consensus around these indicators of the OIG's key assets.

Observations and Discussion

Strong New Leadership

The new IG and members of his leadership team were identified in interviews and survey responses as core strengths of the office. It is widely recognized that the IG and many members of the leadership team hail from high-performing OIGs, which gives them credibility and increases the credibility of Amtrak OIG. Specific actions or traits of leadership that were cited in both OIG and stakeholder interviews as providing value to the OIG include:

- Reorganizing to streamline operations and promote effectiveness;
- Committing to development of a solid foundation and operating framework for the office;
- 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 OIG work; and
- Strengthening relationships with stakeholders through ongoing outreach.

Staff and stakeholders alike expressed positive reactions to the changes they have seen in the OIG since the appointment of the new IG. These changes are viewed as helpful in positioning the OIG as a credible, valuable resource.

Interviewees also noted that undertaking 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 by an IG.

OIG Staff

Both survey results and staff interviews indicated that the people comprising the OIG staff are a source of strength. Elaborations on this theme mentioned the staff's extensive experience, deep knowledge of railroad operations, and commitment to the organization. Some interviewees identified specific individuals who exhibit exceptional capabilities and positive attitudes. The majority of survey respondents indicated that they felt motivated and inspired to do their best work (64% agree/strongly agree), which is a strong asset upon which the OIG can draw as it engages in further improvements. It was also noted in interviews, however, that some OIG staff may not be committed to the changing nature of the OIG work, or to following standard operating processes that support such work. These individuals will require appropriate understanding and necessary management to avoid a negative influence or impeding the success of the changes needed in the organization.

Knowledge of Railroad Operations

OIG staff knowledge of railroad operations was cited in both interviews and survey responses as a core strength of the OIG office. Many believe that it is imperative to have an understanding of Amtrak operations in order to properly evaluate it. Many Amtrak OIG employees (35.8 % of staff survey respondents) were employees of Amtrak prior to working for the OIG, and thus provide that knowledge of the railroad to the OIG. This core strength, however, can also be perceived as a weakness. It was noted that many OIG staff had not been trained on standard OIG work processes and, specifically, may not fully understand OIG limits with regard to advising or participating in Amtrak management decisions. A number of interviewees cited instances in which OIG employees had inappropriately participated in Amtrak management decision making processes.

Value of the OIG

Finally, the perceived value of the office is itself core strength. Stakeholders were asked what value the OIG brings to their organizations, and about the impact of the OIG's work. Respondents value that the Amtrak OIG staff have helped identify and translate best practices in managing infrastructure assets, and mentioned specific reports that were helpful. Respondents overwhelmingly value the external, objective perspective the OIG could offer, noting that the office can add objectivity and validation not otherwise available. It was also noted that a high-functioning Amtrak OIG could help Amtrak staff identify emerging issues before they develop into real problems, and could help "connect the dots" between Amtrak units, since the OIG has the perspective to detect high-level trends.

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

The following sections outline the findings of the study research and offer illustrations of the desired future state of the OIG, as well as strengths and weaknesses within each of the benchmarked areas. Each section culminates with panel suggestions for specific next steps that will assist the OIG in achieving the strategic goal of becoming a model OIG. Throughout the document, specific examples of what high-performing, benchmarked OIGs are doing in each area are used to clarify and support the observations presented.

Effective Communication

Goal Statement:

The Amtrak OIG seeks to maintain open and multi-directional communication, both within the organization and with its various partners and stakeholders. Such communication will be accurate and timely, to promote and support trust, transparency, and effective decision making.

To that end, the following desired future states should be pursued:

This Page Left Intentionally Blank

Topic Area 1: Internal Communications

Desired Future State

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

Observations and Discussion

The data collection processes surfaced the following strengths, opportunities, weaknesses, and risks with respect to internal communication in the Amtrak OIG. Note that the practices of benchmarked OIGs are integrated into the discussion that follows in order to illustrate opportunities for improvement or potential risks related to current Amtrak OIG practices.

Strengths and Opportunities

- The IG has already begun the process of engaging OIG staff regularly; for example, the IG hosted an all-hands meeting in March that outlined the development of the OIG strategic plan and the steps that need to be taken to achieve the plan's goals. An inclusive and comprehensive communication style, which includes regular all-staff meetings, is a characteristic of all of the benchmarked OIGs. Within these benchmarked OIGs, the leaders exhibit strong, positive working styles and have frequent, regular conversations and meetings with OIG staff.
- Staff survey respondents reported a high level of satisfaction with communication from their immediate supervisor regarding the goals and priorities of the OIG (73%, n=54). Staff 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). This is a very important foundation for one of the priorities highlighted by several benchmarked OIGs, which is transparency. One benchmarked IG also stressed the importance of making every report issued by the OIG available to all staff, in order to foster an open culture of information sharing and learning.
- A strong majority of OIG staff and stakeholder interviewees believe that the Amtrak IG has begun his tenure as an IG with an "open door" policy. This is consistent with other benchmarked IGs and their approach. Among their additional observations, however, was the importance of being very visible and in constant communication with OIG staff, and not just with IG direct reports.
- The OIG is starting to break down information "silos", and information is slowly starting to be shared across units. All benchmarked OIGs indicated that communication among the auditors and investigative units was an ongoing challenge. One benchmarked IG 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 on a regular basis.

Weaknesses and Risks

- While staff were pleased and encouraged that an all-staff meeting took place, many noted in post-meeting feedback that the session appeared “too scripted.” Leadership has made a concerted effort to communicate more frequently, but the senior leadership team still does not have an established, consistent approach to information sharing, and, not surprisingly, the historical office culture of frustration and suspicion has not been fully dissipated. One benchmarked OIG reported that they conduct ongoing communication both within and across functions, including sharing weekly activity reports and functional report drafts with other groups for comment.
- Communication can be improved even among the senior leadership team. A senior staff member suggested that additional information and tools would be helpful so that each AIG can communicate more effectively with his or her respective team.
- While the initial All-Hands meeting within the OIG was a good first step, communication that includes the entire office does not occur with regularity and predictability. Benchmarked OIGs reported that they conduct ongoing communication both within and across functions, including sharing its weekly activity report and functional report drafts with other groups for comment.
- The culture of the OIG has inhibited the level of information sharing that is necessary of a model OIG. Multiple OIG interviewees observed that information flows within the Amtrak OIG was historically on a “need-to-know” basis, so employees did not routinely share information with each other. This meant that the OIG was not able to capitalize on information that could have been made available through regularly-scheduled data exchanges. One benchmarked OIG has created an IG blog on their intra-net (the IGEye) for the IG/senior leaders to share information with staff members and to enhance the two-way communication within the organization.
- The technology to support communications is not being utilized effectively. While the Amtrak OIG has a secure subnet, which could serve as an internal intranet for the organization, it is not used regularly by employees. Interviewees did not express confidence in the secure subnet as a dynamic, two-way communication mechanism. In contrast, the benchmarked OIG’s view their intranet as a “hub”, offering newsletters from the IG, guidance, policies, all-staff memos, forms, and links, noting that it is used at least weekly by most staff, serving as both a communication mechanism and a performance support tool.
- As discussed more in depth in the Policy Development section, OIG leadership does not include field staff in the policy development and adoption process. All OIGs benchmarked indicated that, as part of an internal communication initiative, it was helpful to have field staff engaged in the policy development process, so that staff feel ownership

over the work they perform. For example, one benchmarked OIG reported that new policies and updates are drafted by the AIG and vetted through the field offices for comment, helping to generate a sense of empowerment and ownership.

- While survey responses revealed satisfaction with communication from their direct supervisors, communication from the Senior Leadership Team was rated significantly lower. When asked to respond to the statement “The Executive team effectively communicates the goals and priorities of the OIG”, only 49% agreed or strongly agreed. A similar question about communication from direct supervisors elicited 73% agreement. This indicates that employees do not feel that they are hearing enough directly from senior leadership.
- According to leadership interviewees, the Amtrak OIG has struggled with communicating progress in an impactful manner. Two benchmarked OIGs indicated that they found visual representations of on-going work helpful for quickly communicating progress or lack thereof. One meets with each division head/group every week to review progress of open cases, and reviews a multi-colored spreadsheet that illustrates progress on audits and work streams.
- Professional progress and personal celebrations are not widely shared or celebrated within the Amtrak OIG historically. One benchmarked OIG sends out a weekly communication that includes promotions, status of new and available work and positions, and new hires, as well as birthdays, marriages, and births.
- The Amtrak OIG has not taken advantage of opportunities to recognize and communicate organizational progress and success. For example, recent positive feedback by both the Amtrak President and Board Chairman regarding a briefing to the Executive Committee on the IG’s perspective on strategic planning was not publicly shared with all OIG staff, which would have built pride and confidence in the new direction of the organization.

Panel Suggestions for OIG Consideration

With regard to internal communications, the Panel offers the following suggestions for consideration by the OIG:

1. **Foster Improved Communications through Technology and Face-to-Face Meetings.** Amtrak OIG should take advantage of technology and traditional face-to-face meetings that can facilitate communications and help build a culture of transparency and information sharing. Among the mechanisms that should be explored are:
 - Creating and actively populating an intranet site (Secure subnet) with report and process information that will enable more productive and efficient workflow;
 - Significantly improving the OIG website to create a user-friendly, and informative tool for communicating OIG activities and results;
 - Contributing to Amtrak’s monthly internal newsletter to communicate about OIG work efforts and to celebrate staff successes and milestones;

- Developing visual dashboards/representations of on-going work to communicate status of organizational activities;
- Regular video conferencing between IG and staff (not just limited to senior leadership and managers);
- Conducting a specified number of field visits and divisional staff meetings; and
- Adhering to a regular schedule of senior staff meetings and office-wide meetings.

Topic Area 2: External Communications

Desired Future State

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

Observations and Discussion

The data collection processes surfaced the following strengths, opportunities, weaknesses and risks with respect to external Amtrak OIG communications. Note that the practices of benchmarked OIGs are integrated into the discussion that follows in order to illustrate opportunities for improvement or potential risks related to current Amtrak OIG practices.

Strengths and Opportunities

- The IG has strong experience and credibility in the OIG community, which can be leveraged when educating Amtrak stakeholders about OIG roles and responsibilities. Two members of the senior management team at Amtrak noted in interviews more clearly defining OIG roles and responsibilities, communicating those roles and responsibilities, and educating Amtrak stakeholders—both staff and management—about the benefits of an OIG would be beneficial.
- All Amtrak interviewees noted that the Amtrak IG has established a good working relationship with Board members, and now has a dedicated one-hour time slot at Board meetings. This time with the Board provides an ideal opportunity for the IG to discuss on-going areas of concern with the Board and to discuss their perceived areas of risk from a governance perspective. Transparency is critical to building trust and confidence, even when the IG must refrain from sharing specific information about on-going investigations.
- The Amtrak OIG is meeting regularly with Congressional staff to proactively engage the Hill in discussions about their concerns. Congressional stakeholders interviewed expressed optimism that the Amtrak IG will “act boldly” and, going forward, will focus on issues of substance. Congressional staff are looking for assurance that Amtrak management does not usurp the OIG’s authority or impede its ability to act.
- All stakeholders expressed optimism about the “good start” to their relationship with the new IG. Amtrak leadership expressed a desire to work with the IG, and welcomed the opportunity to discuss areas of perceived risk. The Board was pleased with the new efforts to communicate with them about OIG activities and Congressional stakeholders are optimistic that the OIG will focus on more meaningful work in a structured manner and thus provide value to Amtrak.

- Many stakeholder interviewees noted that, in the absence of a formalized, published process, the IG has done an excellent job at reaching out to stakeholders and has built a great deal of goodwill and credibility. Stakeholders are eager to see examples of how work will be different once the new IG is able to initiate work under his own guidelines, though they recognize that change takes time.

Weaknesses and Risks

- A majority of Amtrak stakeholders admit that they could benefit from education about the roles and responsibilities of a high-performing IG. Interviewees in both the OIG and Amtrak suggested that mid-level Amtrak managers do not have a clear understanding about the roles and responsibilities of an OIG, or about how they should interact with one another. Hence, an “OIG 101” education session would be helpful.
- While a number of the members of the Board of Directors have deep experience in government, they do not have experience interacting with an OIG, particularly at a strategic or governance level. Of note is that all, Amtrak Board members interviewed noted that they could benefit from learning more about the roles and responsibilities of an “independent” OIG.
- Since many Amtrak OIG stakeholders do not interact with each other, there is a perception that some stakeholders are given more information than others. Amtrak staff and Board members have the perception that the OIG has leaked damaging information to the Hill, without giving Amtrak the opportunity to counter the claims; meanwhile (cited in four stakeholder interviews), Hill staff claim that they received information only when items became a media issue and it was too late to resolve them. Each stakeholder believes the other is armed with more information than they are, so it is imperative that the OIG maintain consistent, transparent communication to counter this perception. One benchmarked OIG notes that, in addition to attending Board meetings, the IG issues a monthly/quarterly “issues and highlights report” to both agency management and the Board, to help minimize the perception that information is unevenly shared.
- There is a need to conduct communications in both an increasingly responsive and proactive manner when dealing with the Hill. There are currently no established standardized timeframes for reporting. One benchmarked OIG uses a standard procedure of sending OIG reports to Hill at the same time as they are made publicly available, and also has the entire OIG project team brief relevant Congressional staffers. This not only ensures regular and productive communications with the Hill, but also engages and motivates OIG staff.
- Current relationships with key Congressional stakeholders do not represent the working partnership that can derive maximum benefit for the Amtrak OIG. One benchmarked IG reported that he worked specifically to develop candid and productive relationships with key Senate and Congressional staff, and now feels comfortable reaching out to them with requests for assistance on challenging issues. This preemptive approach presents an opportunity to manage contentious issues effectively.

- Amtrak leadership believes that the OIG is missing opportunities to share best practice knowledge. A senior manager with Amtrak recalled the value of the report comparing Amtrak with other high-speed railroad operations globally. More constructive reporting of this sort demonstrates the value the OIG can bring to Amtrak, and would further dispel the myth that the OIG is only looking to find fault with Amtrak operations.
- The OIG does not have an established process with standardized timeframes during which it gives stakeholders updates on work; some noted that, as subjects of a report, they have not always had an opportunity to comment before the report was made public. One interviewee characterized past practice by saying that auditors “disappeared” and re-emerged after a significant period of time with no progress reports. Stakeholders want to know how and when the OIG will communicate with them.

Panel Suggestions for OIG Consideration

In light of these observations, the Panel offers the following suggestions regarding external communications:

2. **Standardize Reporting Procedures.** The OIG should establish standard procedures for reporting to external stakeholders. While a manageable schedule and list should be carefully explored, examples might include:
 - A standard report structure for Congressional stakeholders;
 - Author a monthly column in Amtrak newsletter (this does not have to be authored by the IG each month; AIGs, project leaders, and other OIG staff could write columns);
 - Provide regular written updates to Board to supplement meeting presentations; these could also be sent to Agency management and the Hill to promote transparency.
 - Establish protocols for communicating with Amtrak Board, Amtrak Management and Congressional Staff) utilizing key technology resources such as an improved OIG website.
3. **Develop a Practical, Applied Definition of Independence.** As discussed in the Independence section, the Panel recommends developing a practical, “applied” definition of Independence and a business case for the OIG, so that it can effectively communicate the benefits of its office. This would serve to clarify the nature of the OIG’s work and serve to garner support for the transformation of the Amtrak OIG.

This Page Left Intentionally Blank

Operational Planning and Processes

Goal Statement:

The Amtrak OIG seeks to enhance and maintain its work processes to support a culture of continuous improvement.

This Page Left Intentionally Blank

Topic Area 3: Work Planning & Prioritization

Desired 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 will identify high-value work that provides strategic value to Amtrak, and enables Amtrak OIG to more effectively allocate its resources to this work.

Observations and Discussion

The data collection processes surfaced strengths and opportunities, as well as weaknesses and risks with regard to work planning and prioritization in the Amtrak OIG. Note that the practices of benchmarked OIGs are integrated into the discussion that follows in order to illustrate opportunities for improvement or potential risks related to current Amtrak OIG practices.

Strengths and Opportunities

- Amtrak OIG developed a strategic plan earlier this year, which has been well- received by OIG leadership and staff. 81% of staff believe they have a “good understanding” of it, and the same strong majority (81%) support the goals described in the plan.
- There is recognition by OIG leadership that it needs to perform more work that is of high-value, strategic impact to Amtrak (cited in five OIG senior leader interviews), and that the office needs to have a process that objectively identifies and prioritizes agency programs as potential subjects of audit, investigation, inspection or evaluation. Of note, the Amtrak OIG has already taken the following steps:
 - The IG has started the process of transitioning internal control compliance audits to Amtrak;
 - All audit employees, regardless of tenure, have been required to take an “Audit 101” class, to ensure that all auditors have standard baseline knowledge of audit procedures.
 - The recently-hired AIG leading the investigative unit has begun to educate Investigators about what a “big-picture”, strategic investigation would look like and what skill sets it would require; the AIG also has plans to conduct fraud awareness training for Amtrak employees; and
 - The OIG has hired a seasoned consultant to document standard quality work processes; this work should be completed in September 2010.
- All non-Amtrak OIGs interviewed indicated it was critical to scan the external environment for potential issues in order to ensure that OIG priorities appropriately consider agency challenges and needs. It is noteworthy that the new Amtrak IG has held regular meetings with Amtrak leadership and the Board Chair to discuss issues and risks. The IG is also meeting monthly with the Amtrak Board of Directors, and has taken steps

to improve relationships and increase transparency with Congress. Hence, the IG has already started to scan the external environment, which helps both to identify areas of perceived risk at Amtrak and to build trusted relationships with stakeholders. At the same time, he has effectively maintained his independent decision-making authority with regard to determining what work that Amtrak OIG undertakes.

- Finally, the IG has made a commitment to engage in continuous dialogue with key stakeholders throughout the year – including Amtrak management, Board, and the Hill – to continue to build relationships and to informally discuss areas of perceived risk. This effort provides the OIG with the opportunity to identify emerging issues and potential risks before they become problematic, instead of after-the-fact.

Weaknesses and Risks

- While the Amtrak OIG is to be commended for developing a multi-year strategic plan, it should be noted that the underlying development process could be improved. Interviews with senior OIG staff indicated that the plan was developed primarily by middle-managers, and staff thought that it would be helpful to have senior OIG leadership more engaged in the process in order to provide strategic direction and facilitate communication among different functional units (cited in four OIG interviews). A number of interviewees suggested a need to better educate OIG staff about what the plan means to employees. In addition, benchmarked IGs noted that it was important to have a process for updating the plan annually, to reflect year-to-year operating reality.
- Amtrak OIG leadership clearly recognizes the value of an annual audit plan that engages all OIG staff, particularly senior managers, in the identification and prioritization of OIG work. Nevertheless, staff capacity and skill set constraints impedes leadership’s ability to broadly engage OIG staff at this time. Specific constraints cited include:
 - Staff need examples of high-value “strategic work” in order to effectively generate ideas for consideration;
 - Many OIG staff are consumed by triaging and closing out work from the prior IG’s tenure, and do not currently have the capacity to take on additional work;
 - Compliance audits need to be fully transitioned to Amtrak to free up OIG staff capacity, and so that OIG staff can develop needed high-value skill sets;
 - A number of staff are nearing retirement and may not welcome changing the type or focus of work that has historically been performed.
- A majority of the OIGs benchmarked use OIG-specific risk factors to rank and prioritize suggestions generated by the external scan. Examples of criteria used 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 in order to increase transparency about the types of work his office is pursuing, but there are concerns about putting forward-looking criteria in place now because they it would not be appropriate to apply new criteria to the work that the office has historically performed and is in the process of closing out.

- Amtrak itself may not have a thorough understanding of its risk. While Amtrak leadership and members of the Board of Directors indicate that they are certainly familiar with areas of operational risk, two benchmarked OIGs are encouraging their respective agencies to address risk awareness more comprehensively. Specifically, they are encouraging agencies to undertake a comprehensive Enterprise Risk Management process, which the IG then considers, along with OIG-identified risks, as part of its annual planning process.

Panel Suggestions for OIG Consideration

In light of these observations, the Panel offers the following suggestions for improving the process and effectiveness of OIG work prioritization:

4. **Develop a Comprehensive Work Prioritization Plan.** The OIG should develop a comprehensive Work Prioritization Plan, including interim operational milestones and a communications plan leading up to a launch in fall 2011. The plan should result from a process that obtained OIG staff input, included senior management involvement/ownership, and applied OIG risk factors and criteria to prioritize work. Interim milestones could include such steps as:
 - Development of clear linkages and components of a work prioritization plan, an operating plan, a strategic plan and annual performance plan
 - Formal engagement of the Board, Amtrak management and Congress in discussions about perceived areas of risk and need, develop buy-in and increase transparency.
 - Development of criteria/rating factors.
 - Discussions/meetings that include senior staff from headquarters and field offices, AIGs, and senior OIG leadership about next year's priorities.
 - Completion of a draft operating plan for the coming year by OIG leadership, in order to make informed decisions about the allocation of resources among competing priorities and establish a foundation for transparency and accountability.
 - Establish a deadline by which all work that began prior to a certain date (i.e., September 1, 2009) will either be closed out or incorporated into the new prioritization system and plan for the coming year.

Once the milestones are identified, it is important than a plan to communicate the Work Prioritization Plan be developed, and includes an element that would help staff understand that although a formal work prioritization process will not be launched until the fall 2011, interim steps are being undertaken to ensure that continued progress is made.

5. **Meet Quarterly with Amtrak Senior Leadership Team.** In addition to continued efforts by the IG to develop improved stakeholder relationships, the Panel also suggests that AIGs meet with Amtrak senior team members quarterly. These meeting should foster a continuous dialogue about areas of perceived risk and how OIG is helping address them, and help build stronger and more effective working relationships.

Topic Area 4: Quality and Timely Work Processes

Desired Future State

Amtrak OIG follows consistent, commonly accepted work practices and standards both within functional areas and across locations. As appropriate, work is openly accessible and transparent to staff within the entire office, and adheres to quality standards.

Observations and Discussion

The data collection processes surfaced the following strengths, opportunities, weaknesses and risks with respect to Amtrak OIG work processes. Note that the practices of benchmarked OIGs are integrated into the discussion that follows in order to illustrate opportunities for improvement or potential risks related to current Amtrak OIG practices.

Strengths and Opportunities

- There is recognition by all Amtrak staff interviewed that consistent, clear work processes are a key foundational element of any well functioning organization, and all expressed a desire for work to adhere to established guidance, such as the Yellow Book. Interviewees also agreed that it would be helpful to have clear expectations about “what” audits, evaluations and investigations to conduct and “how” to conduct them. Of the staff survey respondents, 29% (the most frequent suggestion) identified the need for technical guidance and standardized, transparent work processes. All OIGs examined as part of the benchmarking effort follow Yellow Book standards.
- A majority of OIG interviewees noted that communication of IG expectations regarding standard processes is already starting to occur. These include statements made at the March all-staff meeting, the mandated Audit 101 training underway and informal communications. The next step in this communication process is to provide clear guidance as to what these expectations mean for day-to-day work routines. The Amtrak OIG is now doing what all benchmarked OIGs have done: improve the culture of the OIG through a combination of written guidance and training, explicit messages from the IG, ongoing communication about expectations, and holding individuals and managers accountable for following standard procedures.
- As noted in OIG senior team interviews, Amtrak OIG has already hired an experienced consultant to codify processes. Developing guidance is a critical aspect of unifying an organization and forming a common groundwork for change. One benchmarked OIG undertook a major revision of its standard operating procedures during a similar time of organizational change. They tasked each field office with writing a chapter of the manual, each chapter of which covered a specific task or topic. The AIG then compiled the chapters and did a master edit before signing off and distributing the guidance. The engagement of all staff in the development of the guidance increased support for and understanding of the procedures across the OIG.

- Amtrak OIG recently passed a peer review, though deficiencies were found in its policies and procedures across the office, particularly its adherence to Yellow Book standards. Actions are currently underway to correct these deficiencies. New guidance is scheduled for implementation by September 2010. Documented practices will help standardize processes and outcomes, yielding more consistent, high-quality work products.
- Staff who were interviewed offered constructive ideas about the changes needed, and appeared receptive to change. 21% of staff survey respondents specifically identified the need for guidance regarding the report preparation process and style. Staff were also constructive in identifying the need for training, with several noting specific needs for technical training on TeamMate, Amtrak Investigations Management System (AIMS), and overall accounting standards and guidelines (suggested by 23% of staff survey respondents).
- Respondents to the staff survey had generally positive perceptions of the willingness of staff and managers to adopt changes and learn new processes. Over 80% of respondents agreed or strongly agreed that staff are willing to learn how to use new tools, which is an important factor in adopting more OIG-wide practices and automated tools.
- The recently created Audit Liaison position can be better utilized, per an agency interview, to facilitate retrieval of agency information for audits, as well as to track implementation of recommendations.

Weaknesses and Risks

- While Yellow Book is the standard guidance for audits and evaluations across the IG community, Amtrak OIG interviewees noted that they have not followed this guidance in the past and were unclear about how to apply it to their work. The policies and process guidance is on track to be completed in September 2010, but a comprehensive training plan – including a cultural change initiative – should also be developed.
- Both survey and interview data indicate that the lack of documented or well understood processes have resulted in misaligned resources, as well as inconsistent formats, styles and quality of final reports. Staff, management and stakeholders identified the need for more structured work processes and quality control in nearly every interview. Specific observations related to work processes included the following:
 - Audits have not been conducted in accordance with professional standards (e.g., Yellow Book). Audits have not been completed in a timely manner with established deadlines, and the OIG lacks quality control for fact-checking and independent referencing.
 - Investigators should follow the Quality Standards for Investigations. Examples were given of investigators conducting interviews without appropriate notice to Amtrak employees, and being reluctant to document requests for information from Amtrak employees.
 - The Investigations and Evaluation group has produced some high-quality reports, but these reports also did not follow consistent standards, primarily because of

lack of knowledge of those standards. There is little understanding about the relevance or application of Yellow Book principles to evaluations.

- The OIG does not track the status of its recommendations—neither those implemented nor those not implemented. Other OIGs mentioned that Congress is increasingly interested in knowing about recommendations *not* accepted/implemented by management, and this is data OIGs are now beginning to collect. Staff and stakeholders are hopeful that the new Amtrak audit liaison will take on the task of following-up on the status of OIG findings and recommendations.
 - OIG staff does not consistently use electronic tools such as TeamMate for auditors and AIMS for investigators, and there is no OIG guidance and policy (e.g., different teams use different features; there is no OIG-wide policy guiding TeamMate use or training). Among the staff surveyed, 37% believe that the guidance and training provided on TeamMate are very poor or poor, and 34% believe the guidance and training for AIM is similarly poor. All staff should be using these systems to support progress monitoring, accountability, and transparency.
- Some OIG interviewees expressed concern about the current review process (e.g., the number, levels and timeframes of reviews), and the lack of standard formats or quality control for different types of work or products. They noted that a clear, consistently applied quality assurance process is needed, along with guidance for report preparation and formats/styles. Staff also expressed concern about the lack of standards for report writing, and said that reports are often outdated by the time the review process has been completed. Some also noted that recently processes have been repeatedly modified, which causes confusion and erodes staff morale.
 - All benchmarked OIGs reported increasing use of interim work reports. They cited two primary reasons: to engage OIG staff to ensure that the report is on the right track, and so that the agency and Congressional staff do not have to wait long periods of time to receive information. One IG, for example, meets with the entire audit team after the survey phase is completed, and issues interim technical advisory reports.
 - It was noted in OIG staff interviews that the lack of processes, tools, and deadlines has undermined accountability. Amtrak OIG has existed in a culture where managers have not held staff accountable for the quality or timeliness of their work, nor were staff eager to be held accountable. Establishing and enforcing adherence to common practices and standards will support increased accountability.

Panel Suggestions for OIG Consideration

The Panel offers the following suggestions regarding work processes and quality for consideration:

6. **Prioritize the Development of Internal Policy and Guidance.** Amtrak OIG should continue to place priority on developing internal policy and guidance, including special

attention to defining how the standards of Yellow Book will apply to Amtrak OIG work for both 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. All of this work is underway and deserves continued attention, as the positive improvement of the office depends heavily upon having these solid foundations of policy and guidance.

7. **Ensure Compliance of Internal Policy and Guidance.** After the policy and procedures are created, Amtrak OIG should turn its efforts to ensuring they are followed. This can be done by:
 - Providing easy access to the policy guidance and tools. Devote resources to host and maintain policies and procedures on an OIG intranet site, with access open to all OIG staff so they can be easily referenced.
 - Ensuring all staff members are using TeamMate and AIMs in accordance with the goals and intentions of the underlying policy. Customization and training on these systems should be centrally managed to ensure a unified approach.
 - Training the workforce. Amtrak OIG must develop and execute a training plan for staff in the basic processes and practices of the office. This training must be conducted shortly after finalizing the new guidance to speed up the transition to a consistent approach to the work.
 - Monitoring application of standards and holding managers and staff accountable. OIG management should hold itself and staff accountable for following the policies and procedures through a variety of activities. A routine, preferably “dashboard-type”, report of progress against work plans (schedules, resources), and a consistent quality assurance review process will help reinforce adherence to standards in methods and final products.

This Page Left Intentionally Blank

Foundational Elements

Goal Statement:

The Amtrak OIG is built on a foundation of standards of professional excellence that integrate the values, vision and outcomes of a model IG operation.

This Page Left Intentionally Blank

Topic Area 5: Independence

Desired Future State

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

Observations & Discussion

The study identified the following strengths, weaknesses, opportunities and risks in the area of policy management and updates. Note that the practices of benchmarked OIGs are integrated into the discussion that follows in order to illustrate opportunities for improvement or potential risks related to current Amtrak OIG practices.

Strengths and Opportunities

- All interviewees—staff and stakeholders—expressed the desire for the OIG to be independent and recognized that developing constructive, transparent relationships with stakeholders is crucial to maintaining OIG’s independence. It was noted in 100% of OIG and stakeholders interviews that the OIG has made great strides in establishing independence and improving relationships since the appointment of the new IG, and all OIG and Amtrak interviewees acknowledged that it is essential that the OIG have adequate in-house capabilities to ensure operational independence.
- All interviewees from the Amtrak management and Board of Directors commended the OIG new leadership’s openness and “transparent nature”. The IG has been meeting regularly with both Amtrak leadership and the Board of Directors, with the goal, among others, of increasing transparency.
- The IG’s time on the Board meeting agenda has been increased from half an hour to one hour. Members of the Board of Directors realize that they do not have the authority to direct the activities of the OIG.
- The Consolidated Appropriations Act of 2010 authorized a direct appropriation to Amtrak OIG, to ensure that the OIG is no longer dependent on Amtrak for funding and to increase its perceived and actual independence.
- Amtrak and the OIG cooperatively developed a new set of relationship policies and procedures earlier this year to ensure productive interactions. All interviewees cite this document as a great start, and note that the positive spirit in which the document itself was created reveals a true desire to work cooperatively. Carl Clinefelter, the Vice Chairman of the CIGIE, conducted an independent evaluation and verified that the new relationship policies comport with the letter and spirit of the IG Act.

- OIG employees, even those with deep railroad knowledge, are no longer participating in Amtrak management decisions.

Weaknesses and Risks

- While all conversations with the Amtrak Senior Leadership Team indicate a desire for a spirit of “independence”, other stakeholders express a concern that Amtrak does not understand what independence truly entails with regard to specific authorities and responsibilities. A majority of stakeholder interviewees stressed the need to educate Amtrak staff about what an independent, high-performing OIG does, and how it should interact with them.
- While it was inappropriate that the OIG was involved in Amtrak management’s decision making process, it was noted in OIG staff and stakeholder interviews that Amtrak management in some cases liked having the “blessing” of the OIG prior to implementing management decisions. Also, four OIG senior team interviewees noted that the OIG had conducted railroad compliance audits for Amtrak, which is a routine audit function that should be conducted by Amtrak internal audit staff.
- Several stakeholder interviewees noted that, while several members of the Board of Directors have extensive government experience and bring deep value to the Board, most do not have experience interacting with an IG. While Board members express a desire for the IG to be independent, they might not realize what this truly means. Thus it would be helpful to educate/communicate members of the Board about what an “independent yet transparent” relationship entails.
- It was noted in approximately half of the OIG interviews that the IG has had difficulty recruiting staff because it is limited by Amtrak decisions with regard to salary ranges, many of which are below OIG industry average. All IGs benchmarked note that the ability to attract and appropriately pay high-performing staff is critical. Benchmarked OIGs of a certain size use only the agency payroll service, and do not use the agency for other HR or IT processes.
- Most interviewees said that many Amtrak OIG staff do not know or fully understand the difference between being transparent and independent, so education regarding independence and transparency would be helpful for OIG staff.
- Due to office cultures with historically limited communication and entrenched ways of doing things, it will likely take time for both OIG and Amtrak staff members to embrace the best practice IG concepts of independence and transparency.

Panel Suggestions for OIG Consideration

The Panel offers the following suggestions for OIG consideration with respect to independence:

8. **Educate All Stakeholders About Roles and Responsibilities of the OIG.** The OIG should use the recently-developed memorandum of understanding (MOU) to codify and educate all involved about the roles and responsibilities of the OIG and Amtrak. In addition, the OIG should develop a practical, applied definition of what “independent yet transparent” means that complies with industry standards.
9. **Eliminate Restrictions on Effective Execution of OIG Activities.** The OIG should act quickly to eliminate any Amtrak restrictions on the use of OIG funds, OIG hiring actions, or other OIG resources that could adversely affect the OIG’s ability to carry out its responsibilities. For example, the Panel recommends that the OIG relationship with Amtrak human resources needs to be reviewed and redefined, so that OIG staff recruitment is not stalled or inhibited.
10. **Conduct Interim Review to Ensure Sufficient Progress.** The OIG should consider requesting an interim CIGIE review (potentially conducted by the same IG that conducted the initial review) which confirms that the set of policies and procedures that Amtrak management and the IG agreed to earlier this year are being consistently implemented, and that the Amtrak OIG is therefore on track to pass the follow-up review next year.

Topic Area 6: Policy Management & Updates

Desired Future State

The Amtrak OIG maintains 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.

Observations and Discussion

The study identified the following strengths, weaknesses, opportunities and risks in the area of policy management and updates. Note that the practices of benchmarked OIGs are integrated into the discussion that follows in order to illustrate opportunities for improvement or potential risks related to current Amtrak OIG practices.

Strengths and Opportunities

- There is strong recognition of need for standardized, quality policies and guidance. A clear majority of OIG interviewees indicated a desire for more structure and consistency.
- OIG leadership, recognizing this need for structure and guidance and responding to the peer review, hired a well-respected consultant. The development of quality, standard policies are on track to be finalized in September 2010.
- OIG leadership, recognizing a need for a focus on policy, formed a Management and Policy (M&P) group so that the development and enforcement of policy could become an organizational priority.
- Many Amtrak OIG interviewees noted that the IG and senior leadership is already starting to communicate expectations around the role and value of policies.

Weaknesses and Risks

- Amtrak OIG thus far has not fully engaged staff in policy development. In a number of benchmarked OIGs, draft policy is distributed among managers within each functional area for comment and refinement, often adding contextual insight about how the policy relates to specific practices. For example, one benchmarked OIG maintains a top-down/bottom-up process for policy development and updates. An AIG drafts an update or potential change to a standard work process, and then distributes it to the field offices for detailed review and comment. This review focuses on clarifying how the policy will be carried out and notes any concerns or challenges. Comments are then collected by the AIG, who drafts and issues the final policy updates and provides them to the IG for final review approval. They are then distributed formally to all affected personnel with a signed instruction from the AIG to update the existing policy manual.

- Some Amtrak OIG interviewees said that there is no process to actively monitor the external environment for potential policy updates. High functioning OIGs have processes in place to actively monitor the external guidance/standards, and update internal policy to comply. In the benchmarked OIGs, responsibility for monitoring and updating relevant policy lies within the functional areas, and the IG maintains ultimate signature authority for setting OIG policy. Leaders from each functional area develop their own draft internal guidance for their work, shepherd the review and approval process, and are responsible for scanning the external environment for updates to official guidance.
- Some OIG staff interviewed said that the function of M&P is not clear. Staff survey results also indicate that there is lack of clarity about the role and responsibilities of the Amtrak OIG M&P group. They noted a lack of communication and product coming from M&P, and raised concern that the staff skills within that group may not be consistent with those needed to support this function. Research indicates that, while many OIGs maintain some type of policy group or administration function, generally these units serve as a policy repository and policy development process facilitator. The AIGs or other senior leaders are responsible for issuing policy updates in their respective areas, after the IG has signed off. Content development usually resides with the functional experts.
- Amtrak OIG does not make 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 that is open to all OIG employees. Such a practice supports consistency of work practices, adherence to common standards, transparency, and effective communication.
- It was noted in multiple interviewees that many Amtrak OIG staff may be resistant to changes in policy. There is a risk that the OIGs historic culture of limited communication will impede the collaboration and constructive dialogue that will be critical to development and implementation of new policies.

Panel Suggestions for OIG Consideration

Many of the issues identified in this section are related to those identified in the discussion of Quality Work Processes. Specific to managing policy updates, the Panel suggests that:

11. **Clarify Roles of OIG Functional Groups.** The Amtrak OIG should clarify the roles of the functional groups (audit, investigations, and evaluation) as well as M&P and Legal in the policy development and update process. In particular, there is a need to —
 - Clearly articulate the scope, function and span of responsibility of M&P;
 - Define the working relationship and work flow between the functional leaders and M&P; and
 - Engage staff in reviews of draft policies.

Topic Area 7: Human Capital Management

Desired Future State

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

Observations and Discussion

The study identified the following strengths, weaknesses, opportunities and risks in the area of human capital management. Note that the practices of benchmarked IGs are integrated into the discussion that follows in order to illustrate opportunities for improvement or potential risks related to current Amtrak OIG practices.

Strengths and Opportunities

- In all OIG interviews, leadership recognized the need to recruit and retain new talent, as well as the importance of building positive and productive working relationships among staff. This goal is supported by a common practice among benchmarked OIGs to recruit and actively engage new employees. One benchmarked OIG provides each new employee a checklist of first-year expectations to ensure that many of the basic tenets of the organization have been communicated and understood. Another benchmarked OIG conducts an orientation session every six months for new employees to ensure that there is clear understanding of how the organization conducts its work. Similarly, another benchmarked OIG holds comprehensive orientation sessions for new hires, with presentations and instructions on writing OIG reports and other documents. The IGs and their AIGs meet with all new employees in each of these offices.
- Three of the Amtrak OIG interviewees expressed the desire to create supervisory relationships within the functional areas. This indicates a need for both standardized job titles and reporting relationships. These formal supervisory relationships, as well as less formal systems (such as mentoring) to guide junior employees through organizational challenges, were identified by several benchmarked OIGs as key drivers of effective human capital management. Two benchmarked OIGs discussed their initiatives to immediately assign a mentor to new employees. One assigns mentor/mentee relationships that remain in place for three years, while another assigns a mentor to employees for their first year, with the mentor following up on a first-year checklist of 25-40 items that need to be completed.
- The Amtrak OIG is already beginning to identify and nurture potential “stars.” During the data collection phase of this project, high-performing OIG employees were invited to attend interviews with benchmarked OIGs. This gave individuals the opportunity to be exposed to other OIG practices and return to the organization as ambassadors of positive transformation efforts. Engaging staff in policy and other decisions is also a positive step

towards improving morale. The management of one benchmarked OIG ensures that policy development is not a top-down directed process, but one that empowers input from all levels, regardless of seniority or functional alignment. Policy changes can be proposed by anyone in the OIG to be appropriately vetted and approved before they are adopted.

- A majority of Amtrak OIG staff and stakeholder interviewees stated that both the new IG and Deputy IG have created an “open door” policy and continue to encourage a constructive dialogue with staff members. Leadership involvement is a key component of model new employee on-boarding processes, as was demonstrated by numerous benchmarked OIGs. Leadership team members at one benchmarked OIG take care to personally introduce themselves to all new hires and participate in new hire orientation by introducing his or her functional responsibilities. This familiarizes new employees with the leadership team and helps ensure that employees have a clear understanding of organizational activities from the beginning of their tenure. Another benchmarked IG meets personally with each new employee, to gather insight about what brought them to the OIG and to forge a personal connection that will foster trust and transparency.
- Four OIG senior team interviewees noted that the OIG is in the process of developing and delivering “Audit 101” training in order to establish a consistent baseline skill level in a key area of focus for the office. This baseline will serve as the point of departure for developing individualized training plans in the future. Individualized training plans have been referenced by benchmarked OIGs as an integral step towards becoming a model OIG with a high-performing Human Capital Management function.
- Amtrak OIG recognizes the value of cross-functional teams, and has recently established such teams to address specific issues (e.g. the Health Care team).

Weaknesses and Risks

- It was noted in almost all of the senior staff interviews that the Amtrak OIG suffered from staffing/resource issues related to improving teamwork, skill development, and understanding expectations and performance. This is, in many ways, a deep-seeded culture issue that the benchmarked OIGs suggest can be improved by standardizing and communicating expectations as well as having an effective performance evaluation and talent management processes and addressing certain personnel issues.
- While the Amtrak OIG recognizes the need to bring new, dynamic employees into the organization, it has not focused on recruiting young, qualified employees to address a significant, impending attrition issue. With a very large number of retirement-eligible employees, an aggressive and competitive recruitment plan should be developed in anticipation of probable vacancies. Several OIG interviewees noted that there is no management succession plan in place. OIG needs an assessment of the kinds of positions needed now and over the next x years, based on what the OIG is trying to achieve in performance results. About 30% of the staff survey respondents (the most frequent

response) identified “pending retirements and succession planning” as one of the challenges that will have the biggest impact on OIG in the future.

- There is a belief among members of the senior staff that the OIG does not attract younger staff because of the “old fashioned” type of work and approach, limited opportunities, and the fact that the retirement plan differs from the standard government retirement plan (requires longer tenure for vesting). As a result, the OIG has historically recruited primarily from among Amtrak staff – a practice that creates risks regarding bias and independence, and that limits access to new ideas and skills in the broader IG community.
- OIG’s recruitment initiative is impeded by Amtrak’s salary guidelines that prevent the OIG from offering compensation packages commensurate with the experience and training it requires. Amtrak does not establish salaries using comparisons that are appropriate for the OIG (i.e., other OIGs, GAOs, accounting and auditing firms), which makes it difficult for the Amtrak OIG to attract highly qualified candidates.
- While the IG has made a commitment to developing an effective performance management system, the current performance management system’s evaluation criteria are not clearly tied to performance and lack a consistent rating scheme. Some OIG senior staff interviewees reported that the lack of differentiation in the system essentially creates a pass/fail scheme, 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.
- Compensation guidelines established by Amtrak also impede 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.
- While the OIG has attempted to establish supervisory relationships, this has not been very successful in part due to lack of management skills. Only one-third of the staff survey respondents rated training on the OIG’s work processes, systems and tools as good (33%, n=24) suggesting that the baseline training needed to take on supervisory roles is deficient. In one benchmarked OIG, employees who reach a defined level of tenure and seniority can apply to become “Relief Agent in Charge”, which affords them the developmental opportunity to serve as an acting supervisor and receive management training.
- It was noted by two OIG interviewees that inconsistencies in organizational responsibilities across units has led to difficulty in determining standardized job titles. The lack of qualified and dedicated Human Capital Management support staff has also hindered standardization and the establishment of criteria for expected performance. The lack of time and human resources to conduct this analysis leaves the organization without clarity of job functions and responsibilities.

- Exceptional work and leadership has not been recognized consistently; nor has it been given visibility through ceremonies and celebrations. The OIG has missed opportunities for both leadership and staff to recognize exceptional work. Public recognition ceremonies were widely referenced by benchmarked OIGs as having tremendous value. One benchmarked OIG typically has awards ceremonies in the main building, and provides a photo opportunity with the Department's top political leader whenever possible.
- The Amtrak OIG currently does not have any rotation assignment opportunities, and the stove-piped, insular culture of the OIG has led to "hoarding" top performers. This has also meant that many under-challenged staff members are stagnating in offices with little leadership direction and no performance plan. Members of the leadership team have expressed an interest in realigning human resources, so that each individual can make his/her greatest contribution to the OIG, but there is a great deal of pushback and no policy in place to enable these growth opportunities to occur.
- Cross-functional teams are a common practice among OIGs with oversight responsibility for funds issued under the American Recovery and Reinvestment Act (ARRA), as this effort requires prevention activities during the early phase, and recovery activities after funds have been awarded through contracts and grants. OIGs with ARRA responsibility are employing 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 on awarded funds. However, benchmarking results indicate there is no "best way" to employ cross-functional teams. Some larger OIGs have established standing cross-functional divisions that respond quickly to high priority issues, while smaller OIGs have created cross-functional teams only to address specific issues. These approaches to cross-functional teams proved successful in many ways, including producing high-quality end products, enhancing communication across functional units, and improving working relationships among staff.
- While OIG leaders recognize the potential value of cross-functional teams, recent efforts within the Amtrak OIG have not met with great success. Staff survey results indicate that few 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. Senior Leadership team members concur 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, the Amtrak OIG does not currently have a solid foundation for such teams. Before addressing this issue directly, it must establish a stronger foundation of performance expectations, role clarity, and open communication.

Panel Suggestions for OIG Consideration

The Panel offers the following suggestions with regard to human capital management:

12. **Assess Human Capital Needs.** The OIG should consider conducting a comprehensive human capital needs assessment and developing a Human Capital Plan. Areas of focus should include:
 - Competitive market salary guidelines;
 - Recruiting strategies;
 - Position descriptions;
 - Performance management;
 - Recognition and reward programs;
 - Leadership training and development; and
 - Retention and mentoring strategies.
13. **Increase Employee Involvement at All Levels.** The Panel credits the OIG leadership for involving staff members in the benchmarked OIG interviews. OIG should encourage participation by and contributions from multiple layers of the organization, especially in the development of implementation roadmaps. Examples of expanding these activities should include:
 - Offering employees cross-functional training opportunities to expand their skills inventory;
 - Regularly including more junior staff in report updates in order to offer exposure to other functions and perspectives; and
 - Creating reporting mechanisms that allow staff members to become “champions” and serve as ambassadors of key initiatives such as achieving OIG’s strategic goals, especially #6 “Becoming a model OIG.”
14. **Increase Recognition of Exemplary Performance.** The OIG should make a concentrated effort to publicize the hard work and success that has taken place and continues to to improve the organization. Leadership should share examples of staff accomplishments, and recognize exemplary performance with the entire OIG, in order to build a culture that values its human capital.
15. **Maximize Cross-Functional Work Planning Process.** The OIG should work long-term toward establishing processes for creating cross-functional teams and ultimately build this into its work planning process. However, this could be sequenced to a point after improvements are made to its human capital management, internal communication, work prioritization processes, and as working relationships become more effective within the office. As individual projects are planned for and initiated, the OIG should consider on a case-by-case basis whether a cross-functional approach is warranted.

Topic Area 8: Performance Measures

Desired Future State

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

Observations and Discussion

The following strengths, opportunities, weaknesses and risks were identified with respect to performance measurement. Note that the practices of benchmarked IGs are integrated into the discussion that follows in order to illustrate opportunities for improvement or potential risks related to current Amtrak OIG practices.

Strengths and Opportunities

- The OIG's Strategic Plan 2010-2014 identifies desired outcomes for each of the Plan's six goals. Many of the measures are quantifiable. Particularly noteworthy is the OIG's commitment to contributing to achievement of each of Amtrak's strategic goals, thus linking performance of the OIG to Amtrak's performance. Improving Amtrak's efficiency is a priority of the IG, and it offers a range of opportunities for performance metrics (e.g., dollars saved, revenues increased, reduced unit cost, increased productivity, etc.).
- All OIG senior leaders and staff interviewed recognize that it is important to have performance metrics in place that reflect the value of the OIG work. A majority of interviewees suggested that the OIG should consider a combination of traditional quantitative measures (e.g., potential dollar savings from audit recommendations), and additional output measures that reflect work done to prevent or avoid waste/fraud/abuse (e.g., number of agency staff trained in fraud detection) as well as qualitative measures of impact (e.g., changes in stakeholder opinion surveys regarding the effectiveness of the OIG).
- Several staff survey respondents suggested that the OIG consider the development of outcome measurements. Some examples suggested by survey participants include:
 - How OIG findings impact the occurrence of waste/fraud/abuse in Amtrak?
 - How strongly do OIG recommendations support Amtrak strategic goals?

While these particular suggestions may not be directly measurable (except through opinion surveys), they do indicate a receptivity to new ways of thinking about OIG impact and how to measure it. Tracking the implementation of OIG recommendations relating to safety, efficiency, etc., may also provide a short-term proxy for long-term measures of impact on safety, productivity, and other key Amtrak objectives.

- Goal 6 of the Amtrak OIG Strategic Plan includes 23 measures that have been classified as “output” measures and 27 measures that have been classified as “outcome” measures. While many are not directly measurable (i.e., “performance reviews are honest and effective”) and others are misclassified (i.e., “OIG employees are consistently high performers” is not an outcome measure), the extensive list provides an excellent starting point for identifying the most critical output and outcome measures related to internal OIG operations.
- Goals 1-5 of the Amtrak OIG Strategic Plan list over 50 “outcomes” that reflect potential improvements in Amtrak operations and impacts. This list could effectively serve as a starting point for a conversation with the Amtrak Board and management about how the work of the Amtrak OIG can most effectively contribute to improvements. It will be important for the Amtrak OIG to identify the most critical areas on which to focus in order to set priorities for its own work plans and make appropriate resource allocation decisions.
- Consistent with all of the benchmarked OIGs, both leadership and staff in the Amtrak OIG recognize the need to consider the agency perspective as part of OIG performance measurements. Several staff survey respondents suggested that the OIG solicit stakeholders’ feedback to assess both the process and the quality of OIG recommendations, and the OIG and Amtrak cooperatively established the audit liaison position to track and follow-up on OIG findings, recommendations, and advice.

Weaknesses and Risks

- The OIG does not currently have a system in place to track the standard OIG performance measures. The lack of this basic system is likely to make the development of a process to identify and track qualitative and quantitative outcome measures even more challenging.
- A tracking system that provides for regular monitoring and reporting related to key measures for all goals in the Amtrak OIG Strategic Plan needs to be developed. The Strategic Plan sets the stage for moving the organization forward and the recommendations in this report identify managerial and operational improvements required to drive change. While it will take time to design and effectively implement, a performance measurement system is critical, not only to determine whether goals are successfully accomplished, but also to support expectations with regard to accountability and transparency.
- Amtrak leadership and all benchmarked OIGs who were interviewed indicated that effective performance measurement is an area that they are all currently trying to improve. Benchmark OIGs recognize the importance of quantitative measurements, yet note that some of the most meaningful measures are qualitative/subjective ones, such as agency views about how the 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,

Panel Suggestions for OIG Consideration

The Panel offers the following suggestions with regard to performance measures for consideration by the OIG:

16. **Establish A Process To Track Standard Metrics.** The Amtrak OIG should establish a process to accurately track, on at least a quarterly basis, the metrics that all OIGs are currently required to report.
17. **Engage Stakeholders About Measuring OIG Value.** The Amtrak IG should engage the Board and Amtrak senior leadership in a dialogue about how the IG can most effectively measure the value and impact of the OIG work, with the goal of cooperatively identifying qualitative and quantitative performance measures. These measures should be used in combination with the standard OIG measures to better capture the value of Amtrak OIG work, and should be reflected in the performance goals of Amtrak OIG senior executives and in the Amtrak OIG's individual performance management system.
18. **Identify New Metrics.** Consistent with Strategic Goal 6, Amtrak OIG should identify the most critical managerial and operational performance objectives and track their achievement using key performance measures. This should include the development and implementation of a performance tracking system for the key measures related to accomplishment of the OIG's goals, including outcome and output measures. These measures should be monitored and discussed by the senior management team on a regular basis, and used as a tool in ongoing management decisions regarding work priorities and resource allocation. In particular, the Amtrak OIG should consider defining measures that support its change initiative.
19. **Integrate Org Performance Measures Into Employee Performance Measures.** The Amtrak OIG should incorporate key organizational performance measures into its individual performance management system.

This Page Left Intentionally Blank

Conclusion

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

Found at the end of each section of this document, the Panel has made nineteen suggestions for consideration by OIG leadership. (A complete list can be found at the end of this section.) We recognize, however, that these suggestions cannot all be undertaken simultaneously. Progress in some areas will depend upon other changes, and some changes are simply more time-critical.

In light of their relative urgency and potential impact, the Panel suggests that the next phase of this project focus on developing implementation roadmaps for the following activities:

- *Development of standardized, quality work processes with associated training*
- *External outreach plan to stakeholders, including development of an enhanced website*
- *Human capital management plan including, recruitment, performance ratings, and succession planning*

Please note that each of these activities spans a number of the nineteen suggestions offered by the Panel. For example, an important part of the external outreach plan will be the development of a clear statement about OIG roles and responsibilities and a practical, applied definition of what an "independent yet transparent" OIG means. Similarly, the development of a comprehensive Human Capital Management Plan will require that organizational structure and management training needs are considered and addressed.

In the complete list of Panel suggestions provided below, we have ***highlighted in bold, italic typeface*** those items that the Panel recommends should be incorporated in the development of implementation roadmaps for the three high priority action items.

Effective Communication

Topic Area 1: Internal Communications

1. **Foster Improved Communications Through Technology and Face-to-Face Meetings.** Amtrak OIG should take advantage of technology and traditional face-to-face meetings that can facilitate communications and help build a culture of transparency and information sharing. Among the mechanisms that should be explored are:
 - Creating and actively populating an intranet site (Secure subnet) with report and process information that will enable more productive and efficient workflow;
 - Significantly improving the OIG website to create a user-friendly, and informative tool for communicating OIG activities and results;
 - Contributing to Amtrak's monthly internal newsletter to communicate about OIG work efforts and to celebrate staff successes and milestones;

- Developing visual dashboards/representations of on-going work to communicate status of organizational activities;
- Regular video conferencing between IG and staff (not just limited to senior leadership and managers);
- Conducting a specified number of field visits and divisional staff meetings; and
- Adhering to a regular schedule of senior staff meetings and office-wide meetings.

Topic Area 2: External Communications

2. **Standardize Reporting Procedures.** *The OIG should establish standard procedures for reporting to external stakeholders. While a manageable schedule and list should be carefully explored, examples might include:*
 - *A standard report structure for Congressional stakeholders;*
 - *Author a monthly column in Amtrak newsletter (this does not have to be authored by the IG each month; AIGs, project leaders, and other OIG staff could write columns);*
 - *Provide regular written updates to Board to supplement meeting presentations; these could also be sent to Agency management and the Hill to promote transparency.*
 - *Establish protocols for communicating with Amtrak Board, Amtrak Management and Congressional Staff) utilizing key technology resources such as an improved OIG website.*
3. **Develop a Practical, Applied Definition of Independence.** *As discussed in the Independence section, the Panel recommends developing a practical, “applied” definition of Independence and a business case for the OIG, so that it can effectively communicate the benefits of its office. This would serve to clarify the nature of the OIG’s work and serve to garner support for the transformation of the Amtrak OIG.*

Operational Planning and Processes

Topic Area 3: Work Planning & Prioritization

4. **Develop a Comprehensive Work Prioritization Plan.** The OIG should develop a comprehensive Work Prioritization Plan, including interim operational milestones and a communications plan leading up to a launch in fall 2011. The plan should result from a process that obtained OIG staff input, included senior management involvement/ownership, and applied OIG risk factors and criteria to prioritize work. Interim milestones could include such steps as:
 - Development of clear linkages and components of a work prioritization plan, an operating plan, a strategic plan and annual performance plan
 - Formal engagement of the Board, Amtrak management and Congress in discussions about perceived areas of risk and need, develop buy-in and increase transparency.
 - Development of criteria/rating factors.
 - Discussions/meetings that include senior staff from headquarters and field offices, AIGs, and senior OIG leadership about next year’s priorities.

- Completion of a draft operating plan for the coming year by OIG leadership, in order to make informed decisions about the allocation of resources among competing priorities and establish a foundation for transparency and accountability.
- Establish a deadline by which all work that began prior to a certain date (i.e., September 1, 2009) will either be closed out or incorporated into the new prioritization system and plan for the coming year.

Once the milestones are identified, it is important that a plan to communicate the Work Prioritization Plan be developed, and includes an element that would help staff understand that although a formal work prioritization process will not be launched until the fall 2011, interim steps are being undertaken to ensure that continued progress is made.

5. **Meet Quarterly with Amtrak Senior Leadership Team.** In addition to continued efforts by the IG to develop improved stakeholder relationships, the Panel also suggests that AIGs meet with Amtrak senior team members quarterly. These meetings should foster a continuous dialogue about areas of perceived risk and how OIG is helping address them, and help build stronger and more effective working relationships.

Topic Area 4: Quality and Timely Work Processes

6. **Prioritize the Development of Internal Policy and Guidance.** *Amtrak OIG should continue to place priority on developing internal policy and guidance, including special attention to defining how the standards of Yellow Book will apply to Amtrak OIG work for both 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. All of this work is underway and deserves continued attention, as the positive improvement of the office depends heavily upon having these solid foundations of policy and guidance.*
7. **Ensure Compliance of Internal Policy and Guidance.** *After the policy and procedures are created, Amtrak OIG should turn its efforts to ensuring they are followed. This can be done by:*
 - *Providing easy access to the policy guidance and tools. Devote resources to host and maintain policies and procedures on an OIG intranet site, with access open to all OIG staff so they can be easily referenced.*
 - *Ensuring all staff members are using TeamMate and AIMs in accordance with the goals and intentions of the underlying policy. Customization and training on these systems should be centrally managed to ensure a unified approach.*
 - *Training the workforce. Amtrak OIG must develop and execute a training plan for staff in the basic processes and practices of the office. This training must be conducted shortly after finalizing the new guidance to speed up the transition to a consistent approach to the work.*
 - Monitoring application of standards and holding managers and staff accountable. OIG management should hold itself and staff accountable for following the policies and procedures through a variety of activities. A routine, preferably

“dashboard-type”, report of progress against work plans (schedules, resources), and a consistent quality assurance review process will help reinforce adherence to standards in methods and final products.

Foundational Elements

Topic Area 5: Independence

8. **Educate All Stakeholders About Roles and Responsibilities of the OIG.** *The OIG should use the recently-developed memorandum of understanding (MOU) to codify and educate all involved about the roles and responsibilities of the OIG and Amtrak. In addition, the OIG should develop a practical, applied definition of what “independent yet transparent” means that complies with industry standards.*
9. **Eliminate Restrictions on Effective Execution of OIG Activities.** The OIG should act quickly to eliminate any Amtrak restrictions on the use of OIG funds, OIG hiring actions, or other OIG resources that could adversely affect the OIG’s ability to carry out its responsibilities. For example, the Panel recommends that the OIG relationship with Amtrak human resources needs to be reviewed and redefined, so that OIG staff recruitment is not stalled or inhibited.
10. **Conduct Interim Review to Ensure Sufficient Progress.** The OIG should consider requesting an interim CIGIE review (potentially conducted by the same IG that conducted the initial review) that confirms that the set of policies and procedures that Amtrak management and the IG agreed to earlier this year are being consistently implemented, and that the Amtrak OIG is therefore on track to pass the review next year.

Topic Area 6: Policy Management & Updates

11. **Clarify Roles of OIG Functional Groups.** The Amtrak OIG should clarify the roles of the functional groups (audit, investigations, evaluation) as well as M&P and Legal in the policy development and update process. In particular, there is a need to —
 - Clearly articulate the scope, function and span of responsibility of M&P; and
 - Define the working relationship and work flow between the functional leaders and M&P.
 - Engage staff in reviews of draft policies

Topic Area 7: Human Capital Management

12. **Assess Human Capital Needs.** *The OIG should consider conducting a comprehensive human capital needs assessment and developing a Human Capital Plan. Areas of focus should include:*
 - *Competitive market salary guidelines;*
 - *Recruiting strategies;*
 - *Position descriptions;*
 - *Performance management;*
 - *Recognition and reward programs;*
 - *Leadership training and development; and*
 - *Retention and mentoring strategies.*

13. **Increase Employee Involvement at All Levels.** The Panel credits the OIG leadership for involving staff members in the benchmarked OIG interviews. OIG should encourage participation by and contributions from multiple layers of the organization, especially in the development of implementation roadmaps. Examples of expanding these activities should include:
- Offering employees cross-functional training opportunities to expand their skills inventory;
 - Regularly including more junior staff in report updates in order to offer exposure to other functions and perspectives; and
 - Creating reporting mechanisms that allow staff members to become “champions” and serve as ambassadors of key initiatives such as achieving OIG’s strategic goals, especially #6 “Becoming a model OIG.”
14. **Increase Recognition of Exemplary Performance.** The OIG should make a concentrated effort to publicize the hard work and success that has been done and continues to be done to improve the organization. Leadership should share examples of staff accomplishments, and recognize exemplary performance with the entire OIG, in order to build a culture that values its human capital.
15. **Maximize Cross-Functional Work Planning Process.** The OIG should work long-term toward establishing processes for creating cross-functional teams and ultimately build this into its work planning process. However, this could be sequenced to a point after improvements are made to its human capital management, internal communication, work prioritization processes, and as working relationships become more effective within the office. As individual projects are planned for and initiated, the OIG should consider on a case-by-case basis whether a cross-functional approach is warranted.

Topic Area 8: Performance Measures

16. **Establish A Process To Track Standard Metrics.** The Amtrak OIG should establish a process to accurately track, on at least a quarterly basis, the metrics that all OIGs are currently required to report.
17. **Engage Stakeholders About Measuring OIG Value.** The Amtrak IG should engage the Board and Amtrak senior leadership in a dialogue about how the IG can most effectively measure the value and impact of the OIG work, with the goal of cooperatively identifying qualitative and quantitative performance measures. These measures should be used in combination with the standard OIG measures to better capture the value of Amtrak OIG work, and should be reflected in the performance goals of Amtrak OIG senior executives and in the Amtrak OIG’s individual performance management system.
18. **Identify New Metrics.** Consistent with Strategic Goal 6, Amtrak OIG should identify the most critical managerial and operational performance objectives and track their achievement using key performance measures. This should include the development and implementation of a performance tracking system for the key measures related to accomplishment of the OIG’s goals, including outcome and output measures. These

measures should be monitored and discussed by the senior management team on a regular basis, and used as a tool in ongoing management decisions regarding work priorities and resource allocation. In particular, the Amtrak OIG should consider defining measures that support its change initiative.

19. **Integrate Org Performance Measures Into Employee Performance Measures.** The Amtrak OIG should incorporate key organizational performance measures into its individual performance management system.