



ITEM ID: 2025-246-0

TRANSMITTAL DATE: June 20, 2025

MEETING DATE: June 27, 2025

TO: Board of Directors

FROM: Elisabeth Lazuardi, Director, Audit

SUBJECT: Performance Audit: (2024-06-IA) National Railroad Passenger Corporation (Amtrak)

Issue

The Internal Audit Department (Internal Audit) completed the Performance Audit: (2024-06-IA) National Railroad Passenger Corporation (Amtrak).

Recommendation

Receive and file.

Strategic Commitment

This report aligns with the Strategic Business Plan commitment of:

- **Modernizing Business Practices:** We will improve our operational efficiency through transparency, objective metrics and streamlined governance, reducing over-reliance on subsidy while bringing our system into a state of good repair and investing in the development of our employees. This audit supports that commitment by identifying opportunities to improve contract clarity, strengthen financial oversight, and enhance staff understanding of federal requirements.

Background

This audit was included in the FY 2024 Board approved Internal Audit Annual Plan.

Discussion

The objective of the audit was to evaluate the efficiency and effectiveness of contract management controls for Metrolink Train Operator Services under Contract OP151-21 with Amtrak. There were three (3) findings and five (5) recommendations in the audit report. Findings focused on unclear contract terms, potential conflicts with federal cost principles, and limited verification of certain billed costs. Management agreed with the findings and developed corrective actions, which were subsequently implemented as reflected in the report. The report has been attached to this item (see Attachment A).

Next Steps

Internal Audit will track the progress of the corrective actions developed by management.

Prepared by: David Rogers, Senior Auditor

Approved by: Elisabeth Lazuardi, Director, Audit

Attachment(s)

[Attachment A - 2024-06-IA Amtrak Management Audit Report](#)