2026 Internal Audit Work Plan

To: Inspector General Anthony Baize and
Deputy Inspector General Tabitha Ramminger

From: Assistant Inspector General Michelle Flood

Subject: Internal Audit Plan for 2026

Date: February 9, 2026

Introduction

The Office of Inspector General (OIG) Internal Audit Section (IAS) provides independent and objective assurance services within the Department of Health Services (DHS). Our services are tailored to add value to DHS internal operations and strengthen program integrity and subrecipient monitoring efforts. We also provide internal and external stakeholder education to reduce overall risk and promote subrecipient compliance with federal or state audit and other financial, program or contract requirements. Currently, the office is staffed with an Assistant Inspector General (i.e. Section Manager), and seven full-time auditor-advanced positions.

The 2026 Internal Audit Work Plan reflects a deliberate investment of time to enhance and strengthen the internal audit function to better support DHS over the long-term. The plan includes projects that will result in key foundational improvements within the unit enhancing our effectiveness and efficiency to execute future audits, investigations or consulting services timely and with consistency. These projects will also help our team build collective capacity for taking on more projects of value to DHS in future years.

Approach

Historically, the Internal Audit Work Plan has been informed by a combination of management discussions, risk assessments and targeted input from the Secretary's Office or division leadership identifying the areas of highest risk and greatest audit value. While these elements continue to guide our section's work, the 2026 Internal Audit Work Plan was developed during a period of strategic enhancement for the internal audit function.

Following the arrival of the Assistant Inspector General Michelle Flood in late July 2025, the section undertook a comprehensive review of its internal processes, tools, systems, and methodologies. The review identified opportunities to improve the consistency of our practices, modernize risk assessment techniques, and strengthen project management and results reporting.

Thus, the majority of our 2026 efforts will be dedicated to:

- Updating our internal audit management IT system to strengthen consistency and improve project tracking, documentation, reporting, and data analytics capabilities.
- Strengthening relationships through collaboration with Area Administration and the Office of Grants Management.
- Participating in education and outreach opportunities in partnership with our internal partners like DHS divisions and program managers as well as our external partners like counties and provider agencies.
- Building team capacity and alignment through meaningful professional education to reinforce technical competencies while promoting practical application of lessons learned from real-world audit challenges.
- Redesigning the internal audit agency-wide risk assessment methodology to optimize alignment with agency operations and priorities.

The 2026 Internal Audit Work Plan reflects a targeted selection of projects to ensure foundational improvements are embedded into our day-to-day operations. We also welcome input from agency management (OIG, OS, Divisions etc.) in determining other audit priorities or considering ad-hoc project requests or other needs that may arise.

This approach will position the IAS unit to be more agile and capable of addressing a broader range of risks resulting in increased value within the agency.

2026 Internal Audit Plan

Below are descriptions of the main IAS service areas.

- **Audits –** These are independent and objective reviews or evaluations planned in accordance with professional standards[1] to assess internal operations and programs or our external partners to determine the adequacy and effectiveness of governance, risk management, internal controls and compliance with applicable laws, regulations, contract requirements, or other policies. Audit services are available for internal stakeholders, like divisions or bureaus, and external entities, like provider agencies, by request, when DHS has oversight responsibility. Audits are collaborative, evidence-based, highly structured, and scoped projects resulting in formal reports issued by the Inspector General, and include findings and recommendations for management consideration, formal response, and IAS follow-up when applicable.

[1] Professional standards include the Principles and Standards for Offices of Inspector General (7/1/2024) and the Global Internal Audit Standards by the Institute of Internal Auditors (1/9/2024).

- **Investigations** – These involve the examination of specific allegations, tips, or referrals to determine whether misconduct (potential for fraud, waste, abuse) or other violations of law, policy, or contract may have occurred. These projects are typically triggered by complaints from the public, DHS staff, or internal referrals from programs, and are generally reactive in nature focusing on discrete allegations rather than overall control effectiveness or program performance. They focus on specific incidents or behaviors and may involve coordination with the Office of Legal Counsel, Bureau of Human Resources, and law enforcement. Findings are documented in an investigation results report that may be used to support administrative, corrective, enforcement actions, or criminal referrals to law enforcement, as appropriate.
- **Desk Reviews –** These are reviews of external audit reports completed by independent CPA firms and submitted to DHS by counties, Tribal nations, and contracted providers in compliance with applicable federal and state audit requirements, including the Federal Uniform Guidance, State Single Audit Guide, DHS Audit Guide, and DHS Allowable Cost Policy Manual. This work focuses on determining whether required external audits have been completed, submitted timely, and prepared in accordance with governing standards, as well as the assessment of reported findings related to DHS programs, recovering questioned or disallowed costs, and reviewing corrective action plans for relevance, adequacy, and potential impact to the agency or program. Additionally, risk assessments are performed based on each audit report received to assess the financial health of entities DHS is doing business with and to identify any trends or elevated risks that may be of concern to management.
- **Technical Assistance and Consulting –** These ad-hoc services are provided by request and include advisory, consulting, training, and support services for internal DHS staff and external partners. This work promotes best practices, strengthens processes and internal controls, increases compliance understanding, and supports operational effectiveness or efficiency without assuming management's responsibility. These services may result in IAS staff participating in intra-agency workgroups or committees, reviewing proposed process or systems changes, providing training on internal controls, audit readiness, audit requirements, and risk management, or giving guidance and tools to external or program partners to promote compliance. These services represent informal support and do not result in any formal report, findings, or recommendations.
- **Operational Work** – These projects represent internal operational improvement efforts undertaken to enhance the IAS unit's efficiency, effectiveness, consistency of practice, and sustainability. These projects focus on enhancing or improving the unit's internal processes, methodologies, tools, IT systems, governance, and workflows that support audit operations and service delivery.

Below is the listing of proposed IAS projects for 2026, categorized by service area type.

Audits

No.	Title of Engagement & Description	Target Release Date(s)
1	**Staff Access to CARES Worker Web (carryover 2025)** An audit of operational processes for DHS-MiLES and local county and tribal nation agencies that process public benefit applications to determine that workers are appropriately disclosing any conflict of interests related to familial relations with beneficiaries of public assistance and case manipulation is not occurring.	January 2026
2	**Emergency Medical Service (EMS) Licensing Follow Up** A follow up to OIG-IAS' 2023-01AP report issued June 18, 2024, to the Division of Public Health. **[Redacted Text]**	February 2026
3	**Social Media Process (carryover 2025)** An audit of the DHS Communications Team's social media processes to determine proper controls are in place, and best practice are implemented to protect DHS across various social media platforms.	March 2026
4	**Laptop Inventory and Controls (carryover 2025)** An audit of the Division of Enterprise Services' laptop asset inventory processes to determine if the process and controls used to account for DHS' laptop inventory is adequate to prevent asset loss, and to identify reasons why assets are missing from inventory.	April 2026
5	**Supplier Conflict of Interest (carryover 2025)** An audit/consultative engagement to identify DHS employees who may have had a conflict of interest as a State of Wisconsin supplier.	July 2026
6	**Purchasing Card (PCard) and Travel Expense Continuous Monitoring** A semi-annual data analysis audit of PCard transactions to support the operations of the Division of Enterprise Services' Bureau of Fiscal Services to identify potential misuse of PCard and travel expense accounts.	May 2026, November 2026

Investigations

No.	Title of Engagement & Description	Target Release Date(s)
7	**[Redacted Text] (new project, carryover 2025)** At the request of the **[Redacted Text]** to determine if the entity complied with the accounting requirements outlined in their **[Redacted Text]** and associated program budget, including the examination of how the entity allocated and charged both direct and indirect costs to the program in accordance with federal regulations and the DHS allowable cost policy manual.	March 2026
8	**[Redacted Text]** At the request of the **[Redacted Text]** to determine whether **[Redacted Text]** improperly billed or misallocated charges across **[Redacted Text]** and quantify the scope and financial impact of potential duplicative or inappropriate billing. We will also assess **[Redacted Text]** current systems, controls, documentation practices and payer-of-last-resort requirements to determine whether processes are sufficient to prevent risk of non-compliance with regulations.	August 2026
9	**[Redacted Text]** At the request of the **[Redacted Text]** to determine whether the **[Redacted Text]** complied with DHS contract requirements, laws, regulations and program guidelines related to financial management, subrecipient monitoring and oversight, and allowability of expenditures reimbursed through the DHS contract.	September 2026

Technical Assistance and Consulting

No.	Title and Description	Target Completion
10	**Area Administration Support and Stakeholder Training** IAS will add capacity and provide support to Area Administration (AA) related to communicating best practices in county financial management promoting shared understanding and compliance with state/federal audit requirements, risk management principles and subrecipient monitoring. Targeted support will include IAS participation at the annual WI Human Services Financial Management Association conference and new county financial manager orientation(s). Ongoing assistance will be provided as needed to address emerging compliance issues, clarify requirements and support problem solving.	Ongoing

11	**Office of Grants Management Collaboration** IAS will continue to partner with the newly established Office of Grants Management (OGM) to build and strengthen foundational knowledge in support of the development of systems and structures, processes and tools to sustain agency-wide grants management practices. The goal is to collaborate and share knowledge through IAS participation in OGM led initiatives, cross-functional workgroup or other activities.	Ongoing
12	**Desk Reviews and Audit Compliance Support** IAS will continue to support agency oversight and compliance by completing desk reviews and risk assessments of external audit reports received by entities who do business with DHS. IAS will also continue to serve as the central point of contact for audit-related, financial management or subrecipient monitoring inquiries received to dhsauditors@wisconsin.gov from either internal staff, program managers or external stakeholders (the public, providers CPA firms, etc.).	Ongoing
13	**Internal Audit Awareness Month** IAS will lead outreach and educational activities or presentations to increase agency awareness of the IAS role, mandate and services available. Messaging will focus on strengthening the collective understanding of the IAS within the agency as a trusted, independent assurance and advisory function supporting effective governance, risk management, internal controls and regulatory compliance.	May 2026
14	**Cybersecurity Awareness Month Support** IAS, in partnership with the DHS Computer Incident Security Response Team (CSIRT), will co-lead an internal education and awareness campaign during Cybersecurity Awareness Month focused on emerging risks related to deepfake technology. Together we will highlight how deepfakes or other synthetic media can be used to deceive and perpetuate fraud through social engineering, impersonation, and misinformation. The goal is to increase knowledge of what deepfakes are and reinforce escalation and incident response protocols.	October 2026
15	**International Fraud Awareness Week** IAS will conduct outreach and educational activities or presentations as part of the agency's larger Cybersecurity Awareness Month to promote staff awareness of fraud risk, prevention, detection and reporting. The goal is not policing but protecting programs and people through increased awareness of risks.	November 2026

16	**Focused Risk Review and Alignment** IAS will leverage insights and lessons learned from the previous agency-wide risk assessment conducted during 2024 to refine how we associate our work with agency and division priorities. The purpose is to strengthen future risk assessment processes, over time, through the identification of one priority risk area for each division. This consultative approach is meant to improve relevance and effectiveness, reduce unnecessary burden and engage meaningfully with division leadership.	November 2026

Operational Work

No.	Title & Description	Target Completion
17	**Manuals & Guides Modernization** This project will establish or update IAS manuals and guides to perform effective internal audit functions in accordance with rules, regulations and statutes. This will also include updates to the DHS audit guide and allowable cost policy manual, desk review manual, IAS intranet and internet pages, and developing an annual stakeholder outreach and training plan in collaboration with OIG communications and Area Administration, as needed.	September 2026
18	**Stakeholder Information Enhancement** This project will create clearer information sharing with internal and external stakeholders providing them with a common IAS language with definitions to promote collective understanding and improve transparency with those we engage with. This will include submitting, for approval, updates and enhancements to IAS pages on the DHS WorkWeb and http://www.dhs.wisconsin.gov.	October 2026
19	**System Configuration and Processes Alignment** This project will review, update, and standardize all IAS guidance materials related to our use of IT internal audit management software and create new project status and risk dashboards. This project will ensure procedure steps for audits, investigations and desk reviews are aligned with professional standards and other regulatory requirements supporting consistent and efficient engagement execution.	September 2026

20	**Quality Assurance & Stakeholder Feedback** This project will develop and implement a structured quality assurance program for the IAS that captures stakeholder feedback after working with us as well as identify performance metrics that support meaningful unit-level progress or annual reporting. This project will strengthen the IAS's continuous improvement efforts and provide leadership with clear, data-driven insights into the value and effectiveness of services provided.	May 2026
21	**External Regulatory Monitoring Framework** This project is to establish a structured process and framework within the unit for monitoring a wide range of external regulations and guidance documents (HHS-OIG, GAO, etc.) relevant to DHS human services programs. This includes tracking developments in such areas as the Uniform Guidance, auditing standards and other regulatory requirements. We will identify key sources for monitoring emerging regulatory changes, develop methods for ongoing monitoring and ways we can communicate issues with elevated risk to management or other stakeholders.	September 2026
22	**IAS Roles, Responsibilities and Succession Planning** This project will define clear roles and responsibilities within IAS, establish back up coverage for essential workflows, safeguard institutional knowledge and develop succession planning for key positions to ensure the team functions smoothly and reliably through staff turnover or transitions.	November 2026
23	**IAS Template Transformation** This project will develop a standardized suite of uniform templates that strengthen and improve consistency and enhance quality throughout audits and investigations. Templates will be incorporated within our internal audit project management system to build efficiency. Examples include audit and investigation report templates, workpapers, fieldwork plans, internal controls risk self-assessment, entrance meeting slide decks and more.	September 2026

24	**Training & Resource Hub** This project aims to strengthen the IAS unit's collective knowledge by identifying the most relevant training topics and organizing them into a structured, ongoing learning approach. We will examine resources, including the Principles of Federal Appropriations Law (red book) and Standards for Internal Control in the Federal Government (green book), Principles and Standards for Offices of Inspector General, other internal audit standards and best practices, and tools with the goal to meaningfully apply or incorporate this knowledge into our audit and investigation work.	November 2026
25	**Wisconsin Statute Alignment to Practice** This project will review Wis. Stat. §§§§ 15.01(6), 46.036, 49.45, and 49.78 to identify areas of misalignment with current practices. This project will enable IAS to cultivate a proactive knowledge base of current statutes to support future recommendations when justifying updates to statutes or administrative code through the budget process or administrative changes.	December 2026

Audit Plan Approval

This internal audit plan for January 1, 2026 – December 31, 2026, is approved this 9th day of February, 2026.

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By: ________________________________ 2/13/2026

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By: ________________________________ 2/9/2026

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Anthony J. Baize, DHS Inspector General — Date

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Tabitha Ramminger, CIG, CWFI, BCBA — Date
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