

Denali Commission Office of Inspector General Oversight Plan for Fiscal Year 2027



Denali Commission Oversight Plan for Fiscal Year 2027

TABLE OF CONTENTS

Introduction	3
Planned Oversight	4
Mandatory Audits and Reporting.....	4
Discretionary Projects.....	5
Other Oversight Work	5
Appendix – Ongoing Oversight	8

Introduction

The Denali Commission (Commission) Office of Inspector General (OIG) provides independent oversight to promote the integrity, efficiency, and effectiveness of Commission programs and operations and to safeguard federal resources entrusted to the Commission and its grant recipients. OIG carries out this mission through audits, evaluations, investigations, and other oversight activities designed to identify risks, strengthen accountability, and support effective stewardship of federal funds.

This Fiscal Year (FY) 2027 Oversight Plan describes the work OIG expects to undertake during the fiscal year. The plan reflects a balance of mandatory responsibilities established by law or other federal requirements, risk-based discretionary oversight, ongoing work initiated in prior fiscal years, investigative and fraud-prevention activities, and resources reserved to respond to emerging issues.

In developing the plan, OIG considered the significance of Commission programs and federal funds under the agency's stewardship; risks associated with Commission programs and operations; the length of time since prior audit or evaluation coverage; results of previous audits, investigations, and other oversight work; changes in Commission programs and activities; opportunities for timely oversight to improve program administration; and input obtained through engagement with the Commissioners, congressional stakeholders, and other interested parties. OIG also considered the resources expected to be available to carry out its responsibilities during FY 2027.

As a small OIG, the office strategically uses contracted audit support to maximize oversight coverage within available resources. OIG will continue to assess its planned work throughout the year and allocate resources to the areas where independent oversight can provide the greatest value. Because risks and priorities may change during the year, OIG will periodically reassess the plan and adjust its work as appropriate. The Emerging and Contingency Oversight section describes this process in greater detail.

This plan covers OIG activities planned for FY 2027. Appendix 1 identifies significant oversight work initiated in prior fiscal years that is expected to continue into or be completed during FY 2027.

RODERICK
FILLINGER
Digitally signed by
RODERICK FILLINGER
Date: 2026.10.13
16:04:30 -04'00'
Roderick H. Fillinger
Inspector General

Planned Oversight

Mandatory Audits and Reporting

OIG performs audits, reviews, and reporting activities required by statute or other federal requirements. During FY 2027, OIG plans to perform the following mandatory work.

Financial Statement Audit

OIG will engage an independent public accounting (IPA) firm to audit the Commission's financial statements for FY 2027. The audit will determine whether the financial statements are presented fairly, in all material respects, in accordance with generally accepted accounting principles and will consider internal control over financial reporting and compliance with applicable laws, regulations, contracts, and grant agreements as required by applicable auditing standards.

Audit of FISMA Compliance

OIG will engage an IPA firm to conduct the annual independent evaluation of the Commission's information security program and practices required by the Federal Information Security Modernization Act of 2014 (FISMA). The audit will assess the effectiveness of selected aspects of the Commission's information security program and practices and determine whether the Commission implemented selected security controls for information systems in support of FISMA requirements.

Improper Payment Review

The Payment Integrity Information Act of 2019 (PIIA) requires OIG to annually determine whether the Commission complied with applicable improper payment requirements. OIG will review the Commission's FY 2026 improper payment reporting and determine whether the Commission complied with applicable PIIA requirements.

Top Management Challenges

In accordance with the Reports Consolidation Act of 2000, OIG will provide its annual statement identifying the most serious management and performance challenges facing the Commission. In developing the statement, OIG will consider its audits, evaluations, investigations, prior findings and recommendations, ongoing oversight work, and other relevant information. The statement is intended to provide the Commission, Congress, and the public with OIG's independent perspective on significant challenges that could affect the Commission's ability to accomplish its mission.

Semiannual Reports to Congress

The Inspector General Act of 1978, as amended, requires OIG to report semiannually on its activities and accomplishments. During FY 2027, OIG will issue semiannual reports covering the

6-month periods ending September 30, 2026, and March 31, 2027. These reports will summarize significant OIG activities and results, including audits and investigations, recommendations for corrective action, monetary benefits, and the status of outstanding recommendations, as applicable.

Discretionary Projects

Audit of Grant Funds

The OIG through the engagement of an IPA will conduct audits of four grant recipients. The objectives will be to assess with respect to accounting systems whether the auditee's accounting system is adequate to meet the criteria found in Federal financial assistance and Commission award/agreement requirements, to determine if costs claimed by the auditee during the audit period were allocable, allowable, reasonable, and in conformity with Commission award terms and conditions and applicable Federal financial assistance requirements. "Costs claimed" refers to expenditures filed with the Commission for cost reimbursement against its awards. An additional objective of the audits will be to determine whether the auditee has an adequate system of internal control for administering its Commission funds and to ensure compliance with applicable Federal financial assistance and Commission award requirements.

The OIG anticipates completing audits of four grant recipients during fiscal year 2027. The grants selected for audit were based upon a risk-based survey of five awardees selected for FY2025. The grants selected are as follows: City of Togiak (Award 1640), Alaska Native Tribal Health Consortium / Center for Environmentally Threatened Communities (Award 1501), Native Village of Port Heiden (Award 1948), and Alaska Village Electric Cooperative (Award 1834).

Other Oversight Work

In addition to its planned audits and mandatory reporting responsibilities, OIG conducts investigative, outreach, monitoring, and support activities that promote integrity and accountability in Commission programs and operations. OIG also maintains flexibility to address emerging risks and unanticipated oversight needs throughout the fiscal year.

Recommendation Follow-Up

OIG monitors the Commission's progress in implementing any agreed-upon corrective actions in response to OIG recommendations. OIG reviews supporting documentation to determine whether corrective actions adequately address the underlying recommendations before closing them and considers the status of outstanding recommendations when assessing risks and planning future oversight work.

Investigating Reported Fraud, Waste, and Abuse

OIG investigates allegations of fraud, waste, abuse, misconduct, and mismanagement involving Commission programs, operations, employees, contractors, and recipients of federal funds

administered by the Commission. OIG reviews complaints and other information received through its hotline and other sources and determines the appropriate course of action, which may include initiating an investigation, audit, or other review; referring the matter to another appropriate entity; or taking no further action when warranted.

Fraud Awareness Outreach

OIG conducts outreach to promote awareness of fraud risks and OIG's role in preventing and detecting fraud, waste, abuse, and misconduct. During FY 2027, OIG plans to conduct outreach to Commission grant recipients and other stakeholders, as appropriate. OIG briefings and presentations provide information about fraud indicators, reporting mechanisms, and applicable mandatory disclosure requirements; increase awareness of the consequences of fraud and misconduct; and encourage the timely reporting of suspected wrongdoing.

Review of Single Audit Reports

OIG monitors single audit reports available through the Federal Audit Clearinghouse to identify audits involving Commission grant funds. OIG reviews relevant reports to identify findings and recommendations for which the Commission has audit resolution responsibilities and refers those matters to the Commission for appropriate follow-up. This work helps OIG monitor risks affecting Commission grant programs and may inform future oversight activities.

Support Activities

OIG performs activities necessary to maintain an effective oversight program and support the broader Inspector General community. These activities include:

- **Quality assurance.** OIG conducts an annual internal review of its compliance with applicable professional standards and quality control policies and procedures. The results help OIG identify opportunities to strengthen its policies and procedures, prioritize resources, and address training and professional development needs.
- **Inspector General community activities.** OIG participates in the Council of the Inspectors General on Integrity and Efficiency (CIGIE) and other Inspector General community activities, as appropriate. Participation allows OIG to contribute to government-wide initiatives, share information and practices with other OIGs, and remain informed of developments affecting federal oversight.
- **Professional development.** OIG maintains professional competence through training and other professional development activities necessary to perform high-quality audits, investigations, and other oversight work.

Emerging and Contingency Oversight

OIG's annual planning process is designed to remain responsive to changing risks and priorities. Accordingly, OIG will reserve a portion of its available resources to address significant matters that arise during FY 2027 but could not reasonably be anticipated when this plan was developed. This work might include responses to complaints received through the OIG hotline, investigations, congressional or other authorized requests, whistleblower matters, significant changes in Commission programs or grant funding, emerging risks affecting Commission programs and operations, and issues identified through OIG's ongoing monitoring activities.

In order to ensure effective oversight, giving the limited size and resources of the OIG, the OIG may adjust, defer, or initiate oversight projects during the year based on the significance and urgency of emerging issues, and the potential for OIG work to improve the efficiency, effectiveness, integrity, and accountability of Commission programs and operations.

Appendix – Ongoing Oversight

Commission Programs and Operations

Audit of the Commission’s Compliance with the Federal Information Security Modernization Act (FY 2026)

Announced May 2026 • Conducted by Premier Group Services, LLC • Reporting Phase

Audit of the Commission’s Financial Statements (FY 2026)

Announced July 2026 • Premier Group Services, LLC • Fieldwork Phase