



OP 04.01: INTERNAL AUDIT SERVICES

PURPOSE

The Mississippi State University Office of Internal Audit is an independent, objective assurance and consulting service designed to add value to and improve Mississippi State University's operations. It helps the University accomplish its objectives by bringing a systematic, disciplined approach to evaluating and improving the effectiveness of risk management, control, and governance processes.

POLICY/PROCEDURE

1. Reporting Structure and Supervision

The Office of Internal Audit (Internal Audit) reports to the Mississippi State University President and to the Budget, Finance and Audit Committee and ultimately the Board of Trustees through the Board's system Chief Audit Executive (CAE). It is the responsibility of the Director of Internal Audit to ensure that the President is aware of all pertinent matters. The Director shall meet with the President on a regularly scheduled basis to discuss internal audit activities, including audits, special projects, and investigations.

Internal Audit's final reports will be distributed to department management, applicable Vice President(s), General Counsel, the Board's CAE, and the President.

2. Authority

Internal Audit has access to all University personnel and any records, data and other information deemed necessary to carry out assigned duties. Internal Audit shall maintain the confidentiality of any public records and will comply with any confidentiality statutes.

Internal Audit does not exercise direct authority to make operating decisions, to direct anyone in operations, or to implement any of its recommendations. The responsibility to execute specific actions remains with management.

3. **Scope**

The scope of Internal Audit includes:

- A. Reviewing and appraising the soundness, adequacy, and application of accounting, financial, and other operating controls and promoting effective control at a reasonable cost.
- B. Ascertaining the extent of compliance with state and federal law and with University operating policies and procedures.
- C. Ascertaining that University assets are being adequately accounted for and safeguarded from losses.
- D. Determining the adequacy, reliability, and effectiveness of accounting and reporting systems.
- E. Appraising the quality of management's performance in carrying out their assigned responsibilities.
- F. Recommending procedures that would improve the economy or efficiency of operations.
- G. Testing for evidence of fraud, embezzlement, theft, waste, etc., in the performance of auditing procedures.
- H. Dissemination of information for the deterrence of fraud, embezzlement, theft, waste, etc.

4. **Audit Assignment**

Internal Audit, in consultation with University management, shall prepare a long-term and an annual risk-based audit plan. The intent of this plan is to determine the priorities of internal audit activity, consistent with the University's goals. To this end, such factors as changes in personnel, time since last audit, complexity of operations, quality of internal controls, and public/management interest will be considered during the development of the plan. The final audit plan is subject to the approval of the President and the Board's Budget, Finance and Audit Committee.

5. **Special Projects and Investigations**

Internal Audit will concentrate its time on the audit plan approved by the President. However, from time to time unscheduled special projects and investigations must be performed. Time will be included in the annual audit plan to allow for these unscheduled projects.

6. Cooperation with External Auditors

The Director of Internal Audit is responsible for coordinating audit efforts with those of the Board's CAE, the Mississippi Office of the State Auditor, and other external auditors representing federal or local agencies and non-government entities that have business with the University.

The coordination of audit efforts should be considered in the planning of internal audit activities to ensure that the work of all auditing groups is complementary and will provide comprehensive, effective and efficient audit coverage.

REVIEW

The Director of Internal Audit is responsible for the review of this OP every four years (or whenever circumstances require immediate review).

REVIEWED:

/s/ Lisa Ervin
Director of Internal Audit

02/26/2018
Date

/s/ Timothy N. Chamblee
Assistant Vice President and Director
Institutional Research and Effectiveness

03/06/2018
Date

/s Joan Lucas
General Counsel

03/08/2018
Date

APPROVED:

/s/ Mark Keenum
President

03/18/2018
Date