



## **OP 04.01: INTERNAL AUDIT SERVICES**

### **PURPOSE**

The Mississippi State University Office of Internal Audit (Internal Audit) is an independent, objective assurance and consulting activity designed to add value to and improve University operations. Internal Audit helps the University accomplish its objectives by evaluating and improving risk management, internal control, and governance processes using a systematic, disciplined approach. Internal Audit operates in accordance with applicable Mississippi law (Miss. Code Ann. §§ 25-65-1 through 25-65-33), Board of Trustees of State Institutions of Higher Learning (IHL) policy, the IHL Internal Audit Charter, and applicable professional standards.

### **POLICY/PROCEDURE**

#### **1. Reporting Structure and Independence**

Internal Audit reports administratively to the Mississippi State University President and functionally to the IHL Budget, Finance, and Audit Committee, and ultimately the Board of Trustees through the Board's system Chief Audit Executive (CAE). The Director of Internal Audit shall keep the President informed of pertinent matters. The Director shall meet regularly with the President to discuss internal audit activities, including audits, special projects, investigations, significant risks, internal control concerns, and any limitations on Internal Audit's scope, access, or resources.

Internal Audit's final reports will be distributed to appropriate management through the applicable Vice President(s), with copies to General Counsel, the IHL's CAE, and the President.

The President and applicable IHL governance processes oversee and support the Internal Audit function.

Internal Audit shall maintain organizational independence and shall not assume operational or management responsibilities that would impair its objectivity or independence.

#### **2. Authority**

Internal Audit has access to all University activities, personnel, records, data, information technology systems, properties, and other information deemed necessary to carry out its work. To the extent permitted by law, 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**

Internal Audit provides assurance, consulting, and investigative services, including:

- A. Reviewing and appraising the adequacy and effectiveness of accounting, financial, operational, and information technology controls.
- B. Assessing compliance with state and federal law and with University operating policies and procedures.
- C. Assessing whether University assets are properly accounted for and safeguarded.
- D. Determining the reliability and effectiveness of accounting and reporting systems.
- E. Recommending improvements to promote efficient and effective operations.
- F. Testing for and helping deter fraud, embezzlement, theft, waste, and abuse.

Consulting services are advisory in nature and are typically performed at management's request in a manner that preserves Internal Audit's objectivity and ensures that it does not assume management responsibility.

Investigative services may be performed regarding suspected fraud, waste, abuse, theft, embezzlement, or other financial or operational irregularities identified through audits, referrals, hotline complaints, or management concerns.

### **4. Audit Planning**

Internal Audit, in consultation with University management, shall prepare a three-year strategic audit plan and an annual risk-based audit plan. The plan establishes Internal Audit priorities consistent with the University's goals. In developing the plan, Internal Audit will consider factors such as changes in personnel, time since the last audit, operational complexity, internal control quality, and public or management interest. The annual internal audit plan and budget are subject to review and approval by the President and applicable IHL governance processes.

### **5. Special Projects and Investigations**

Internal Audit will devote most of its time to the approved audit plan. However, unscheduled special projects and investigations may also be performed. The annual audit plan will include time for these unscheduled projects.

Internal Audit may also perform other work as requested through applicable University or IHL processes.

### **6. Cooperation with External Auditors**

The Director of Internal Audit is responsible for coordinating, as appropriate, with the Board's CAE, the Mississippi Office of the State Auditor, and other external auditors representing federal or local agencies and non-governmental entities that have business with the University. Such coordination may include participation in entrance conferences, exit conferences, status meetings,

related communications, and receipt of reports.

University units shall promptly notify Internal Audit of requests from external auditors or other external review bodies concerning University operations, records, or activities. Once Internal Audit has been notified, Units are responsible for providing records and other requested information within their custody unless otherwise directed. Internal Audit may request copies of information provided to external auditors and may monitor such requests or responses as appropriate. Internal Audit is not responsible for gathering information for or performing the work of external auditors, but will cooperate in the exchange of technical assistance and current information concerning audit techniques, policies, and procedures.

## **7. Audit Reports, Confidentiality, and Annual Reporting**

Audit reports are confidential to the extent provided by Mississippi law and applicable policy and shall be communicated in the manner required by law and Board policy.

Within one hundred twenty (120) days after the end of each fiscal year, the Director of Internal Audit shall issue an annual report that separately lists audit reports issued and other activities completed or in progress as of fiscal year-end and summarizes the accomplishments of the Internal Audit function, as required by Mississippi law.

## **8. Scope Limitations and Resource Restrictions**

Any restriction, actual or perceived, on Internal Audit's access, scope, independence, staffing, budget, or ability to perform its responsibilities shall be communicated promptly to the President and reported to the Board's CAE in accordance with applicable IHL policy.

## **9. Professional Standards**

Internal Audit shall perform its work in accordance with the *Global Internal Audit Standards* and applicable *Topical Requirements*, as published by The Institute of Internal Auditors, and other applicable legal and policy requirements. Audit reports shall include a statement that the work was conducted in accordance with applicable professional standards.

Internal Audit staff are expected to adhere to The Institute of Internal Auditors' Code of Ethics.

## **10. Quality Assurance and Improvement**

Internal Audit shall maintain a quality assurance and improvement program and participate in internal and external assessments as required by applicable professional standards, IHL policy, and applicable law.

## **REVIEW**

The Director of Internal Audit is responsible for reviewing this OP every four years or whenever circumstances require earlier review.

**REVIEWED BY:**

/s/ Lesia Ervin  
Director of Internal Audit

06/05/2026  
Date

/s/ Tracey N. Baham  
Associate Vice President, Institutional Strategy & Effectiveness

06/05/2026  
Date

/s/ Joan Lucas  
General Counsel

06/05/2026  
Date

**APPROVED BY:**

/s/ Mark E. Keenum  
President

06/22/2026  
Date