

OFFICE OF EDUCATIONAL ACCOUNTABILITY
Summary of State Board of Education Agenda Items
December 18, 2025

Bureau of Internal Audit

07. Action: Approval of the updated Internal Audit [Goals 1, 2, 3, 4, 5, and 6 – MBE Strategic Plan]

Background Information: Original 2016 Internal Audit Charter has been updated to reflect new Global Internal Audit Standards requirements with updated language reflecting operations and reporting. This has been reviewed by the Internal Accountability Subcommittee.

This item references Goals 1, 2, 3, 4, 5, and 6 of the *Mississippi Board of Education Strategic Plan*.

Recommendation: Approval

Back-up material attached



Internal Audit Charter

Objectives:

The Mississippi Department of Education (MDE) supports Internal Audit as an independent appraisal function to examine and evaluate the agency's activities as a service to management and stakeholders. The objectives of internal auditing are to assist the State Board of Education, the State Superintendent of Education and department management in the effective discharge of their responsibilities by furnishing them with analyses, appraisals, recommendations, and information concerning the activities reviewed and by promoting effective control at reasonable cost.

Purpose:

The purpose of this internal audit charter is to define the mission, authority, and responsibilities of the internal audit function within the MDE.

Mission:

The mission of Internal Audit is to help MDE accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes. The internal audit function fulfills this purpose by engaging in independent, objective assurance and consulting activities that comply with professional auditing standards.

Nature of Internal Audit Activities:

Using a systematic and disciplined approach, the internal audit activity evaluates and contributes to the improvement of risk management, control, and governance processes within the department. The objective(s) of an audit will determine the scope of that particular audit and the extent to which any particular process is evaluated. The scope of internal auditing may include, but is not limited to, the following:

- Assessing various aspect(s) of the internal control structure. The internal control structure includes: the control environment; risk

assessment; control activities; information and communication; and monitoring.

- Reviewing the systems established to ensure compliance with policies, plans, procedures, laws, and regulations that could have a significant impact on operations and reports, and determining whether the organization is in compliance.
- Reviewing and appraising the economy and efficiency with which resources are employed, identifying opportunities to improve operating performance, and recommending solutions to problems where appropriate.
- Reviewing operations or programs to ascertain whether results are consistent with the established objectives and goals and whether the operations or programs are being carried out as planned.
- Reviewing processes to identify possible weaknesses and/or opportunities to streamline.
- Reviewing the reliability, integrity, and timeliness of financial and operating information, including performance measures, and the means used to identify, measure, classify, and report such information.
- Following up on actions to ensure adequate corrective action is taken and that it is effective.
- Reviewing the means of safeguarding assets and, as appropriate, verifying the existence of such assets.
- Reviewing employees' actions to determine if in compliance with policies, standards, procedures, and applicable laws and regulations.
- Assisting with special investigations.

In addition to audits, Internal Audit may provide consultative services. The scope of such service is agreed to between the requesting Manager (State Superintendent of Education, Deputy State Superintendent of Educational Accountability, or Chief) and the Director of Internal Audit. Engagements that require more than 16 hours of audit effort will follow standards that apply to consulting engagements. Consulting engagements that require more than 80 hours of audit effort require approval by the Subcommittee.

Auditing Standards:

In the performance of audit work described above, the internal audit function of the MDE will generally comply with the International Standards for the Professional Practice of Internal Auditing, issued by the Institute of

Internal Auditors. If warranted by objectives established for specific audit engagements, compliance with standards issued by other authoritative bodies (e.g., the United States General Accounting Office, the American Institute of Certified Public Accountants or the Information System Audit and Control Association) may also be required.

In addition to complying with standards, Internal Audit will abide by the Code of Ethics issued by the Institute of Internal Auditors. The Code includes principles directed toward integrity, objectivity, confidentiality, and competency. As an audit function in state government, Internal Audit will also observe the principles of serving the public interest in discharging its duties. The public interest is defined as the collective well-being of the community of people and entities the auditor serves.

Authority:

Subject to the independence requirements contained in auditing standards, Internal Audit has the authority to audit all units and functions within the MDE. Internal Audit shall have full and complete access to all department records, physical properties, assets, and personnel. Internal Audit also has, within the authority conferred by public records law, contract terms and conditions, and any other operation of law, access to personnel, assets, and records under the administration of third parties that are also related to delivery of services paid for by funds provided by and/or through the MDE. The Director of Internal Audit also has authority to obtain the necessary assistance of personnel in other units within the MDE as well as services from outside the department. However, the Director of Internal Audit will collaborate with MDE executive leadership in scheduling the work of the Internal Audit Department to ensure the timelines are reasonable and acceptable by all involved. The Director of Internal Audit must follow established procedures to acquire services from outside the department through contract or other type of formal agreement.

Documents and information provided to Internal Audit shall be handled with stringent accountability for confidentiality and safekeeping, in conformance with applicable laws and rules.

Independence and Objectivity:

The Director of Internal Audit will report functionally to the Subcommittee and administratively to the Deputy State Superintendent of Educational Accountability. Department management will allow access of the Director

of Internal Audit to the State Superintendent of Education, Chiefs of MDE Offices, members of the State Board of Education, the Mississippi Office of the State Auditor, and internal audit offices in other state agencies.

Internal auditors shall have an impartial, unbiased attitude and avoid conflicts of interest. Internal auditors shall be free of all operational and management responsibilities that would impair their ability to make independent, objective evaluations of department operations. To ensure independence and objectivity, internal auditors shall have no immediate or recent (within two years) authority over, and no direct responsibility for, any activities reviewed. For areas in which an internal auditor has previously provided consultative services, the Director of Internal Audit will verify that a potential impairment to independence or objectivity does not exist before accepting the engagement. If prior consultative services subject to professional auditing standards were provided but determined to not impair independence or objectivity, the Director of Internal Audit will communicate such determination to the Subcommittee, and management of the unit or function being audited prior to commencing fieldwork. The Director of Internal Audit will inform the Subcommittee of any personal or external impairment to independence or objectivity once the impairment becomes known.

Roles and Responsibilities:

The Subcommittee, Internal Audit and Management each play a role in the internal audit function.

- The role of the Subcommittee is to enhance the department's risk management activities and assure the independence and quality of the internal audit function.
- The role of Internal Audit is to provide management independent advice regarding opportunities to reduce risk or improve department operations. This advice is typically based on work performed in accordance with professional auditing standards. In providing advice, Internal Audit will strive for a spirit of collaboration and communicate results in a way that encourages and supports MDE in accomplishing its vision, mission, and goals.
- Management's role is the critical evaluation of the information presented during the audit process (including the audit report), provision of timely feedback to confirm agreement with the information presented, resolve points of disagreement, and/or identify

points of unresolved disagreement, and the prompt development, submission and execution of a corrective action plan, as appropriate.

- The Deputy State Superintendent of Educational Accountability determines, on behalf of and in consultation with the State Superintendent of Education and/or the State Board of Education, as appropriate, the risk that the department is willing to bear and the propriety of proposed corrective action plans to address risks identified through the audit process.

Subcommittee – In accordance with State Board Policy 7-3-1.2, the Subcommittee is responsible for:

1. Approving the annual audit plan, which sets out the priorities of the internal audit unit for the following year.
2. Ensuring adequate budget and staffing resources are provided for internal audit operations.
3. Reviewing the internal and external audit reports. Discussing all matters with internal and external auditors that are required to be communicated to the Subcommittee under Generally Accepted Auditing Standards. Coordinating communication of significant audit-related issues with the State Board of Education and the State Superintendent of Education.
4. Approving internal audit policies that promote an effective system of internal controls. Reporting recommendations for approval of new policies and policy revisions to the State Board of Education.
5. Performing other duties related to this policy as requested by the State Board of Education.

Director of Internal Audit — The following activities are the responsibility of the Director of Internal Audit:

1. Assure that all MDE internal audits comply with auditing standards.
2. Develop procedures that govern the MDE internal audit process as supplemental guidance to auditing standards.
3. Periodically conduct risk assessments to facilitate audit planning.
4. Develop a risk-based audit plan that covers no more than two years. In developing the plan, consider the work of others, such as the

Mississippi Office of the State Auditor and federal auditors. Submit the plan to the Subcommittee for review and approval. Assist the Subcommittee in determining an appropriate level and source of audit resources necessary to execute the audit plan. Update the audit plan as new audit issues emerge.

5. Execute the approved audit plan. Establish audit objectives, determine scopes of work, and determine the audit procedures necessary to accomplish the audit objectives. Report periodically to the Subcommittee on the status and results of the audit plan, including significant issues and potential improvements.
6. Conduct appropriate follow-up and report the status of corrective action taken on audit findings reported by internal and external auditors. Advise the Deputy State Superintendent of Educational Accountability and the Subcommittee on risks related to the corrective action taken. Develop and administer a process to track the resolution of audit findings.
7. Remain available in an advisory role to operational management when they are subject to audit or review by an external party, such as federal auditors or the Mississippi Office of the State Auditor. However, operational management remains responsible for responding to any issues raised during the audit or review.
8. When specifically requested by management or at the discretion of the Director of Internal Audit, provide feedback on actions under consideration by management (for example, a proposed policy or procedure) from a risk management perspective.
9. Assist in the investigation of suspected fraudulent or inappropriate activities within the department and notify appropriate management and the Subcommittee of the results.
10. Act as contract administrator for audit services provided to MDE by private sector audit firms or by staff from other state agencies through an interagency agreement.

Although internal auditors may periodically attend and participate in various management meetings, an internal auditor should not participate in making decisions that affect the organization outside of the internal audit function. Such participation could create an appearance of impairment to independence.

Management – MDE management is responsible for:

1. Complying with applicable laws and regulations (includes identifying the requirements with which MDE must comply);
2. Establishing and maintaining effective internal control to help assure that: appropriate goals and objectives are met; resources are used efficiently, economically, and effectively; resources are safeguarded; laws and regulations are followed; and, reliable data are obtained, maintained, and fairly disclosed.
3. Developing and executing corrective action plans that address the risks raised in findings and recommendations included in audit reports.

Approved: _____
School Performance and Accountability Subcommittee Chair

Date: _____



Mississippi Department of Education

Internal Audit Charter

(Draft) Version 2

Updated December 15,
2025

Objectives:

The Mississippi Department of Education (MDE) supports Internal Audit as an independent appraisal function to examine and evaluate the ~~agency's~~ activities as a service to management and stakeholders. The objectives of internal auditing are to assist the State Board of Education, ~~its Subcommittee (Board)~~, the State Superintendent of Education, ~~MDE Executive Leadership~~, and department management ~~in the effective discharge of their responsibilities~~ by furnishing them with analyses, appraisals, recommendations, and information ~~concerning the activities reviewed~~ to promote efficient and ~~by promoting~~ effective ~~control at reasonable cost~~ operations.

Purpose:/Mission

The purpose ~~of this internal audit charter is to define the mission, authority, and responsibilities of the internal audit function within the MDE.~~

Mission:

~~The mission of Internal Audit is to help MDE accomplish its objectives strengthen MDE's ability to create, protect, and sustain value by bringing providing the Board and the Superintendent with independent, risk-based, and objective assurance, advice, insight, and analysis. It is a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management, and control and governance/compliance (GRC) processes. The internal audit function Internal Audit fulfills this purpose by engaging in independent, objective assurance, and consulting activities that comply with professional auditing standards.~~

Nature of Internal Audit Activities~~also enhances MDE's:~~

~~Using a systematic and disciplined approach, the internal audit activity evaluates and contributes to the improvement of risk management, control, and governance processes within the department. The objective(s) of an audit will determine the scope of that particular audit and the extent to which any particular process is evaluated. The scope of internal auditing may include, but is not limited to, the following:~~

- ~~Assessing various aspect(s) of the internal control structure. The internal control structure includes: the control environment; risk assessment; control activities; information and communication; and monitoring.~~
- ~~Reviewing the systems established to ensure compliance with policies, plans, procedures, laws, and regulations that could have a significant impact on operations and reports, and determining whether the organization is in compliance.~~
- ~~Reviewing and appraising the economy and efficiency with which resources are employed, identifying opportunities to improve operating performance, and recommending solutions to problems where appropriate.~~
- ~~Reviewing operations or programs to ascertain whether results are consistent with the established objectives and goals and whether the operations or programs are being carried out as planned.~~
- ~~Reviewing processes to identify possible weaknesses and/or opportunities to streamline.~~

- ~~Reviewing the reliability, integrity, and timeliness of financial and operating information, including performance measures, and the means used to identify, measure, classify, and report such information.~~
- ~~Following up on actions to ensure adequate corrective action is taken and that it is effective.~~
- ~~Reviewing the means of safeguarding assets and, as appropriate, verifying the existence of such assets.~~
- ~~Reviewing employees' actions to determine if in compliance with policies, standards, procedures, and applicable laws and regulations.~~
- ~~Assisting with special investigations.~~

~~In addition to audits, Internal Audit may provide consultative services. The scope of such service is agreed to between the requesting Manager (State Superintendent of Education, Deputy State Superintendent of Educational Accountability, or Chief) and the Director of Internal Audit. Engagements that require more than 16 hours of audit effort will follow standards that apply to consulting engagements. Consulting engagements that require more than 80 hours of audit effort require approval by the Subcommittee.~~

- **Auditing** Successful achievement of its objectives.
- Decision-making and oversight.
- Reputation and credibility with its stakeholders.
- Ability to serve the public interest.

MDE's internal audit function is most effective when:

- It is performed by competent professionals who follow the IIA's Global Internal Audit Standards™, which are set in the public interest.
- It is independently positioned with direct accountability to the Board, and
- Internal auditors are free from undue influence and committed to making objective assessments.

Commitment to Adhering to the Global Internal Audit Standards:

~~In the performance of audit work described above, the internal audit function of the MDE will generally comply with the International Standards for the Professional Practice of Internal Auditing, issued by the Institute of Internal Auditors.~~

In accordance with Mississippi Code Annotated § 25-65-9, the Bureau of Internal Audit (BIA) shall conduct its audit work in conformance with the Institute of Internal Auditors' Global Internal Audit Standards™, which govern the performance and quality of internal audit activities. These standards do not supersede or alter the organizational structure, reporting relationships, or governance framework established by Mississippi law.

If warranted by objectives established for specific audit engagements, compliance with standards issued by other authoritative bodies (e.g., the United States General Accounting Office, the American Institute of Certified Public Accountants or the Information System Audit and Control Association) may also be required.

~~In addition to complying with standards, Internal Audit~~

The BIA will abide by the Code of Ethics issued by the Institute of Internal Auditors. The Code includes principles

directed toward integrity, objectivity, confidentiality, and competency. As an audit function in state government, Internal Audit will also observe the principles of serving the public interest in discharging its duties. The public interest is defined as the collective well-being of the community of people and entities the auditor serves.

Mandate

Authority:

The MDE internal audit function mandate is found in the Internal Audit Act, Mississippi Code Ann. § 25-65-3, which states “*The purpose of this chapter is to establish a full-time program of internal auditing to assist in improving university, community/junior college and agency operations, to verify the existence of assets and to identify opportunities for cost savings and revenue enhancement. The university, community/junior college or agency internal audit director shall furnish independent analyses, appraisals and recommendations concerning the adequacy of each university, community/junior college and state agency's systems of internal control, and the efficiency and effectiveness of university, community/junior college and agency management in carrying out assigned responsibilities in accordance with applicable laws, rules and regulations. The internal auditing program shall evaluate and advise the organization in the establishment of controls necessary to accomplish university, community/junior college and agency goals and objectives at reasonable costs. The university, community/junior college or agency internal audit director shall be alert to the possibility of abuse or illegal acts, errors and omissions, and conflict of interest.*”

The internal audit function's authority is created by its reporting relationship to the Board and State Superintendent, which protects the independence of the Internal Audit function.

The Board authorizes the BIA to:

- Subject to the independence requirements contained in auditing standards, Internal Audit BIA has the authority to audit all units and functions within the MDE. Internal Audit shall have full and completeMDE.
- Have access to all departmentfunctions, data, records, information, physical properties, assetsproperty, and personnel. Internal Audit also has, pertinent to its internal audit responsibilities relevant to its work, in accordance with Miss. Code Ann. § 25-65-17 and applicable laws.
- Within the authority conferred by public records law, contract terms and conditions, and any other operation of law, access to personnel, assets, and records under the administration of third parties that are also related to delivery of services paid for by funds provided by and/or through the MDE. The Director
- Allocate resources, set frequencies, select subjects, determine scopes of Internal Audit also has authoritywork, apply techniques, and issue communications to obtainaccomplish the necessaryfunction's objectives.
- Obtain assistance of from the necessary MDE personnel inand other units within the MDE as well asspecialized services from within or outside the department. However, the Director of Internal AuditMDE to complete internal audit services. All such assistance needs will collaborate with MDE executive leadership in scheduling the work of the Internal Audit Department to ensure the:
 - Be scheduled in such a way that ensures timelines are reasonable and acceptable by all involved. The Director of Internal Audit must.
 - Be planned through collaboration with MDE leadership, and
 - Follow established procedures to acquire services from outside the department through contract or other type of formal agreement.

Documents and information provided to Internal Audit shall be handled with stringent

~~accountability for confidentiality and safekeeping, in conformance with applicable laws and rules.~~

Independence and Objectivity, Organizational Position, and Reporting Relationships

The Director of Internal Audit ~~shall report to the State Superintendent as agency head, consistent with Miss. Code Ann. § 25-65-13, and shall have organizational independence as defined in IIA Standard 1110. The Director of Internal Audit will be positioned at a level in the organization that enables internal audit services and responsibilities to be performed without interference from management, thereby establishing the independence of the internal audit function in accordance with Miss. Code Ann. § 25-65-9. Further, the Director will report functionally to the Board and its Subcommittee and administratively to the Deputy State Superintendent of Educational Accountability. Department management will allow access of the the State Superintendent, providing the Director with the organizational authority and status to bring matters directly to senior management and escalate matters to the Board and State Superintendent, when necessary, without interference. It also supports BIA staff's ability to maintain objectivity. As necessary, the Director of Internal Audit to the State Superintendent of Education, Chiefs of MDE Offices, members of the State Board of Education, the Mississippi will have access to the~~ Office of the State Auditor, and ~~internal audit offices in other Internal Auditors at~~ other state agencies.

Internal auditors shall have an impartial, unbiased attitude and avoid conflicts of interest. Internal auditors shall be free of ~~all~~ operational and management responsibilities that would impair their ability to make independent, objective evaluations of department operations. To ensure independence and objectivity, internal auditors shall have no immediate or recent (~~within two years for at least one year~~) authority over, and no direct responsibility for, any activities reviewed. ~~For areas in which an internal auditor has previously provided consultative services, the Director of Internal Audit will verify that a potential impairment to independence or objectivity does not exist before accepting the engagement. If prior consultative services subject to professional auditing standards were provided but determined to not impair independence or objectivity, the Director of Internal Audit will communicate such determination to the Subcommittee, and management of the unit or function being audited prior to commencing fieldwork.~~ The Director of Internal Audit will inform the ~~Subcommittee~~ ~~Board~~ of any personal or external impairment to independence or objectivity once the impairment becomes known.

~~The Director of Internal Audit will confirm to the Board, at a frequency they determine, but at least annually, the organizational independence of the internal audit function. If the governance structure does not support organizational independence, the Director of Internal Audit will document the characteristics of the governance structure limiting independence and any safeguards employed to achieve the principle of independence. The Director of Internal Audit will disclose to the Board and State Superintendent any interference internal auditors encounter related to the scope, performance, or communication of internal audit work and results. The disclosure will include communicating the implications of such interference on the internal audit function's effectiveness and ability to fulfill its mandate.~~

Changes to the Mandate and Charter

~~Certain circumstances may require the Director of Internal Audit, in consultation with the Board and/or State Superintendent, to modify this Charter, its Mandate, and the related Internal Audit Operations Manual. Such circumstances may include but are not limited to:~~

- ~~• A significant change in the Global Internal Audit Standards.~~

- A significant reorganization within MDE or BIA.
- Significant changes in BIA, the Board, the State Superintendent, and/or senior management.
- Significant changes to MDE's strategies, objectives, risk profile, or the environment in which MDE operates.
- New laws or regulations that may affect the nature and/or scope of internal audit services.

Roles and Responsibilities:

The Subcommittee, Internal Audit, the Board, and Management each play a role in the internal audit function.

- The role of the Subcommittee is to enhance the department's risk management activities and assure the independence and quality of the internal audit function.

Generally, the role of Internal Audit is to provide Management independent advice regarding opportunities to reduce risk or improve departmentagency operations. This advice is typically based on work performed in accordance with professional auditing standards. In providing advice, Internal Audit will strive for a spirit of collaboration and communicate results in a way that encourages and supports MDE in accomplishing its vision, mission, and goalsThe Director of Internal Audit, in consultation with the State Superintendent and/or the Board, determines the risk that MDE and BIA are willing to bear and the propriety of proposed corrective action plans to address risks identified through the audit process.

Management's role is

The Board Subcommittee

In accordance with Miss. Admin. Code 7-3: 1.2, State Board Policy Chapter 1, Rule 1.2, the Board Subcommittee agrees to assist with and is responsible for:

- Enhancing the agency's risk management activities and ensuring the independence and quality of the internal audit function.
- Reviewing and recommending the annual audit plan for subsequent Board approval, which sets out the priorities of the internal audit unit for the following year.
- Ensuring adequate budget and staffing resources are provided for internal audit operations.
- Reviewing internal and external audit reports. Discussing all matters with internal and external auditors that are required to be communicated to the Subcommittee under Generally Accepted Government Auditing Standards and the Global Internal Audit Standards. Coordinating communication of significant audit related issues with the Board and the State Superintendent.
- Reviewing proposed internal audit policies or revisions and providing advisory recommendations to the State Superintendent and the State Board of Education for their consideration.

Additionally, the Board and Subcommittee agree to:

- Discuss with the Director of Internal Audit and Superintendent the appropriate authority, role, responsibilities, scope, audit plans, and services (assurance and/or advisory) of BIA.
- Participate in discussions with the Director of Internal Audit and senior management about the "essential conditions," described in the Global Internal Audit Standards, which establish the foundation that enables an effective internal audit function.
- Review communications from the Director regarding plan timing and performance.
- Ensure a quality assurance and improvement program (QAIP) has been established and review the results annually.

- Make appropriate inquiries of senior management and the Director to determine whether scope or resource limitations are appropriate.

MDE Management is responsible for:

- Working collaboratively and collegially with BIA as they conduct their work.
- Complying with applicable laws and regulations (including identifying the requirements with which MDE must comply).
- Establishing and maintaining effective internal controls to help ensure that appropriate goals and objectives are met, resources are used efficiently, economically, and effectively, resources are safeguarded, laws and regulations are followed, and reliable data are obtained, maintained, and fairly disclosed.
- Developing and executing corrective action plans that address the risks raised in findings and recommendations included in audit reports.
- Assuring the critical evaluation of the information presented during the audit process (including the audit report), provision of timely feedback to confirm agreement with the information presented, resolve points of disagreement, and/or identify points of unresolved disagreement, and the prompt development, submission and execution of a corrective action plan, as appropriate.
 - The Deputy State Superintendent of Educational Accountability determines, on behalf of and in consultation with the State Superintendent of Education and/or the State Board of Education, as appropriate, the risk that the department is willing to bear and the propriety of proposed corrective action plans to address risks identified through the audit process.

Subcommittee In accordance with State Board Policy 7-3-1.2, the **Subcommittee** is responsible for:

1. Approving the annual audit plan, which sets out the priorities of the internal audit unit for the following year.
2. Ensuring adequate budget and staffing resources are provided for internal audit operations.
3. Reviewing the internal and external audit reports. Discussing all matters with internal and external auditors that are required to be communicated to the Subcommittee under Generally Accepted Auditing Standards. Coordinating communication of significant audit related issues with the State Board of Education and the State Superintendent of Education.
4. Approving internal audit policies that promote an effective system of internal controls. Reporting recommendations for approval of new policies and policy revisions to the State Board of Education.
5. Performing other duties related to this policy as requested by the State Board of Education.

Director

Bureau of Internal Audit — The following activities are the responsibility of the Director. The Bureau of Internal Audit is responsible for:

- Assure Ensuring that all MDE internal audits comply with auditing standards, including the Global Internal Audit standards, Generally Accepted Government Auditing Standards, etc.
- Develop Utilizing procedures that govern the MDE internal audit process as supplemental guidance to auditing standards.
- Periodically conductConducting risk assessments to facilitate audit planning.
- Develop a risk-based audit plan that covers no more than two years. In developing the plan, considerConsidering the work of others, such as the Mississippi Office of the State Auditor and federal auditors. Submit the plan to the Subcommittee for review and approval. Assist the Subcommittee in determining an appropriate level and source of audit resources necessary to execute the audit plan. Update the audit plan as new audit issues emerge.in the execution of the risk-based audit plan
- 1. Execute the approved audit plan. Establish audit objectives, determine scopes of work, and determine the audit procedures necessary to accomplish the audit objectives. Report periodically to the Subcommittee on the status and results of the audit plan, including significant issues and potential improvements.
- ConductEnsuring internal audit engagements are performed, documented, and communicated in accordance with the Global Internal Audit Standards and applicable laws and/or regulations.
- Establishing and ensuring adherence to methodologies designed to guide the internal audit function.
- Adhering to applicable laws, policies, standards, charters, and constitution.
- Ensuring that documents and information used in audits are handled with stringent accountability for confidentiality and safekeeping, in conformance with applicable laws and rules.
- Conducting appropriate follow-up and reportreporting the status of corrective action taken on audit findings reported by internal and external auditors. Advise the Deputy State Superintendent of Educational Accountability and the Subcommittee on risks related to the corrective action taken. Develop and administer a process to track
- Tracking the resolution of audit findings.
- Remain available in an advisory role to operationalProviding advice and assistance to MDE management when they are subject to audit or review by an external party, such as federal auditors or the Mississippi Office of the State Auditor. However, operational management remains responsible for responding to any issues raised during the audit or review.
- When specifically requested by management or at the discretion of the Director of Internal Audit, provideProviding feedback on actions under consideration by management (for example, a proposed policy or procedure) from a risk management perspective whenever requested.
- AssistAssisting in the investigation of suspected fraudulent or inappropriate activities within the departmentagency and notifynotifying appropriate management and the Subcommittee of the results.
- 10. ActIdentifying and considering trends and emerging issues, techniques, and practices that could impact MDE and communicate to the Board and Superintendent as contract administrator

for appropriate.

- Making fraud referrals to the Office of the State Auditor under Miss. Code Ann. § 7-7-211 and § 25-65-25
- Support a well-trained audit services provided to MDE staff by private sector audit firms ensuring they collectively possess or by staff from obtain the knowledge, skills, and other state agencies through an interagency agreement. competencies and qualifications needed to meet the requirements of the Global Internal Audit Standards, maintain a high-quality audit function, and have sufficient relevant professional development to maintain their professional licenses and certifications

Although internal auditors may periodically attend and Ethics, Professionalism, and Objectivity

Internal Auditors shall adhere to the IIA Code of Ethics and maintain objectivity, integrity, confidentiality, and professional competency in all engagements. Internal Auditors will not be assigned or engage in activities that impair their independence and objectivity, or which might subordinate their professional judgement in fact or appearance.

BIA staff will participate in various sanctioned ethics training annually.

BIA staff shall:

- Disclose impairments of independence or objectivity, in fact or appearance, to appropriate parties and at least annually.
- Exhibit professional objectivity in gathering, evaluating, and communicating information.
- Make balanced assessments of all available and relevant facts and circumstances.
- Take necessary precautions to avoid conflicts of interest, bias, and undue influence.

Communication with the Board

In accordance with Miss. Code Ann. §§ 25-65-13 and 17 and State Board Policy, the Director of Internal Audit shall report and provide regular updates to the State Superintendent and the Board Subcommittee on:

- Audit plans and progress,
- Major risks, control issues, or fraud concerns,
- Significant audit results and management meetings, an responses, and
- Any impairment to independence or compliance with IIA Standards.

The Director may meet directly with the Board Subcommittee or full Board, including in executive session when approved by the State Superintendent or Board Chair to discuss matters affecting audit independence or significant risk.

Scope and Types of Internal Audit Services

The scope of internal auditor should not participate in making decisions that affect audit services covers the entire breadth of the organization outside of the , including MDE's activities, assets, and personnel. The scope of internal audit activities also encompasses but is not limited to objective examinations of evidence to provide independent assurance and advisory services to the Board and management on the adequacy and effectiveness of governance, risk management, and control processes for MDE.

The nature and scope of advisory services may be agreed with the party requesting the service, provided the internal audit function. Such participation could create an appearance of impairment to independence does not assume management responsibility. Opportunities for improving the efficiency of governance, risk management, and control processes may be identified during advisory engagements. These opportunities will be communicated to the Board and the appropriate level of management.

Management—MDE Internal audit engagements may include evaluating whether:

- Risks relating to the achievement of MDE's strategic objectives are appropriately identified and managed.

The actions of MDE's directors, management is responsible for:

- Complying, employees, and contractors or other relevant parties comply with MDE's policies, procedures, and applicable laws and regulations (includes identifying the requirements, and governance standards).
 1. The results of operations and programs are consistent with which MDE must comply);
- Establishing and maintaining effective internal control to help assure that: appropriate established goals and objectives are met; resources are used efficiently, economically, and effectively; resources are safeguarded; laws and regulations are followed; and, reliable data are obtained, maintained, and fairly disclosed.
- Developing Operations and executing corrective action programs are being carried out effectively, efficiently, and ethically.
- Established processes and systems enable compliance with the policies, procedures, laws, and regulations that could significantly impact MDE.
- The integrity of information and the means used to identify, measure, analyze, classify, and report such information is reliable.
- Resources and assets are acquired economically, used efficiently and sustainably, and protected adequately.

Quality Assurance and Improvement Program (QAIP)

The Director of Internal Audit will develop, implement, and maintain a quality assurance and improvement program (QAIP) that covers all aspects of the internal audit function. The program will include external and internal assessments of the internal audit function's conformance with the Global Internal Audit Standards, as well as performance measurement to assess the internal audit function's progress toward the achievement of its objectives and promotion of continuous improvement. The program also will assess, if applicable, compliance with laws and/or regulations relevant to internal auditing. Also, if applicable, the assessment will include plans that to

address the ~~risks raised in findings and recommendations included in audit reports~~ ~~internal audit function's deficiencies and opportunities for improvement.~~

Approved: _____

School Performance and Accountability At least annually, the Director of Internal Audit will communicate with the Board about the internal audit function's quality assurance and improvement program, including the results of internal assessments (ongoing monitoring and periodic self-assessments) and external assessments. External assessments will be conducted at least once every five years by a qualified, independent assessor or assessment team from outside MDE; qualifications must include at least one assessor holding an active Certified Internal Auditor® credential.

Acknowledgments/Signatures

Director of Internal Audit/Chief Audit Executive

Date

Internal Audit Subcommittee Chair

Chairman

Date:



Mississippi Department of Education

Internal Audit Charter

Updated
December 18, 2025

Objectives

The Mississippi Department of Education (MDE) supports Internal Audit as an independent appraisal function to examine and evaluate the agency's activities as a service to management and stakeholders. The objectives of internal auditing are to assist the State Board of Education, its Subcommittee (Board), the State Superintendent of Education, MDE Executive Leadership, and department management by furnishing them with analyses, appraisals, recommendations, and information to promote efficient and effective operations.

Purpose/Mission

The purpose and mission of Internal Audit is to strengthen MDE's ability to create, protect, and sustain value by providing the Board and the Superintendent with independent, risk-based, and objective assurance, advice, insight, and analysis. It is a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management, and control/compliance (GRC) processes. Internal Audit fulfills this purpose by engaging in independent, objective assurance, and consulting activities that comply with professional auditing standards.

Internal Audit also enhances MDE's:

- Successful achievement of its objectives.
- Decision-making and oversight.
- Reputation and credibility with its stakeholders.
- Ability to serve the public interest.

MDE's internal audit function is most effective when:

- It is performed by competent professionals who follow the IIA's Global Internal Audit Standards™, which are set in the public interest,
- It is independently positioned with direct accountability to the Board, and
- Internal auditors are free from undue influence and committed to making objective assessments.

Commitment to Adhering to the Global Internal Audit Standards

In accordance with Mississippi Code Annotated § 25-65-9, the Bureau of Internal Audit (BIA) shall conduct its audit work in conformance with the Institute of Internal Auditors' Global Internal Audit Standards™, which govern the performance and quality of internal audit activities. These standards do not supersede or alter the organizational structure, reporting relationships, or governance framework established by Mississippi law.

If warranted by objectives established for specific audit engagements, compliance with standards issued by other authoritative bodies (e.g., the United States General Accounting Office, the American Institute of Certified Public Accountants or the Information System Audit and Control Association) may also be required.

The BIA will abide by the Code of Ethics issued by the Institute of Internal Auditors. The Code includes principles directed toward integrity, objectivity, confidentiality, and competency. As an audit function in state government, Internal Audit will also observe the principles of serving the public interest in discharging its duties.

Mandate

Authority

The MDE internal audit function mandate is found in the Internal Audit Act, Mississippi Code Ann. § 25-65-3, which states *“The purpose of this chapter is to establish a full-time program of internal auditing to assist in improving university, community/junior college and agency operations, to verify the existence of assets and to identify opportunities for cost savings and revenue enhancement. The university, community/junior college or agency internal audit director shall furnish independent analyses, appraisals and recommendations concerning the adequacy of each university, community/junior college and state agency’s systems of internal control, and the efficiency and effectiveness of university, community/junior college and agency management in carrying out assigned responsibilities in accordance with applicable laws, rules and regulations. The internal auditing program shall evaluate and advise the organization in the establishment of controls necessary to accomplish university, community/junior college and agency goals and objectives at reasonable costs. The university, community/junior college or agency internal audit director shall be alert to the possibility of abuse or illegal acts, errors and omissions, and conflict of interest.”*

The internal audit function’s authority is created by its reporting relationship to the Board and State Superintendent, which protects the independence of the Internal Audit function.

The Board authorizes the BIA to:

- Subject to the independence requirements contained in auditing standards, BIA has the authority to audit all units and functions within MDE.
- Have access to all functions, data, records, information, physical property, and personnel pertinent to its internal audit responsibilities relevant to its work, in accordance with Miss. Code Ann. § 25-65-17 and applicable laws.
- Within the authority conferred by public records law, contract terms and conditions, and any other operation of law, access to personnel, assets, and records under the administration of third parties that are also related to delivery of services paid for by funds provided by and/or through the MDE.
- Allocate resources, set frequencies, select subjects, determine scopes of work, apply techniques, and issue communications to accomplish the function’s objectives.
- Obtain assistance from the necessary MDE personnel and other specialized services from within or outside MDE to complete internal audit services. All such assistance needs will:
 - Be scheduled in such a way that ensures timelines are reasonable and acceptable by all involved,
 - Be planned through collaboration with MDE leadership, and
 - Follow established procedures to acquire services from outside the department through contract or other type of formal agreement.

Independence, Organizational Position, and Reporting Relationships

The Director of Internal Audit shall report to the State Superintendent as agency head, consistent with Miss. Code Ann. § 25-65-13, and shall have organizational independence as defined in IIA Standard 1110. The Director of Internal Audit will be positioned at a level in the organization that enables internal audit services and responsibilities to be performed without interference from management, thereby establishing the independence of the internal audit function in accordance with Miss. Code Ann. § 25-65-9. Further, the Director will report functionally to the Board and its Subcommittee and the State Superintendent, providing the Director with the organizational authority and status to bring matters directly to senior management and escalate matters to the Board and State Superintendent, when necessary, without interference. It also supports BIA staff’s ability to maintain objectivity. As necessary, the Director of Internal Audit will have access to the Office of the State Auditor and other Internal Auditors at other state agencies.

Internal auditors shall have an impartial, unbiased attitude and avoid conflicts of interest. Internal auditors shall be free of operational and management responsibilities that would impair their ability to make independent, objective evaluations of department operations. To ensure independence and objectivity, internal auditors shall have no immediate or recent (for at least one year) authority over, and no direct responsibility for any activities reviewed. The Director of Internal Audit will inform the Board of any personal or external impairment to independence or objectivity once the impairment becomes known.

The Director of Internal Audit will confirm to the Board, at a frequency they determine, but at least annually, the organizational independence of the internal audit function. If the governance structure does not support organizational independence, the Director of Internal Audit will document the characteristics of the governance structure limiting independence and any safeguards employed to achieve the principle of independence. The Director of Internal Audit will disclose to the Board and State Superintendent any interference internal auditors encounter related to the scope, performance, or communication of internal audit work and results. The disclosure will include communicating the implications of such interference on the internal audit function's effectiveness and ability to fulfill its mandate.

Changes to the Mandate and Charter

Certain circumstances may require the Director of Internal Audit, in consultation with the Board and/or State Superintendent, to modify this Charter, its Mandate, and the related Internal Audit Operations Manual. Such circumstances may include but are not limited to:

- A significant change in the Global Internal Audit Standards.
- A significant reorganization within MDE or BIA.
- Significant changes in BIA, the Board, the State Superintendent, and/or senior management.
- Significant changes to MDE's strategies, objectives, risk profile, or the environment in which MDE operates.
- New laws or regulations that may affect the nature and/or scope of internal audit services.

Roles and Responsibilities

Internal Audit, the Board, and Management each play a role in the internal audit function. Generally, the role of Internal Audit is to provide Management independent advice to reduce risk or improve agency operations. This advice is typically based on work performed in accordance with professional auditing standards. The Director of Internal Audit, in consultation with the State Superintendent and/or the Board, determines the risk that MDE and BIA are willing to bear and the propriety of proposed corrective action plans to address risks identified through the audit process.

The Board Subcommittee

In accordance with Miss. Admin. Code 7-3: 1.2, State Board Policy Chapter 1, Rule 1.2, the Board Subcommittee agrees to assist with and is responsible for:

- Enhancing the agency's risk management activities and ensuring the independence and quality of the internal audit function.
- Reviewing and recommending the annual audit plan for subsequent Board approval, which sets out the priorities of the internal audit unit for the following year.
- Ensuring adequate budget and staffing resources are provided for internal audit operations.
- Reviewing internal and external audit reports. Discussing all matters with internal and external auditors that are required to be communicated to the Subcommittee under Generally Accepted Government Auditing Standards and the Global Internal Audit Standards. Coordinating communication of significant audit related

issues with the Board and the State Superintendent.

- Reviewing proposed internal audit policies or revisions and providing advisory recommendations to the State Superintendent and the State Board of Education for their consideration.

Additionally, the Board and Subcommittee agree to:

- Discuss with the Director of Internal Audit and Superintendent the appropriate authority, role, responsibilities, scope, audit plans, and services (assurance and/or advisory) of BIA.
- Participate in discussions with the Director of Internal Audit and senior management about the “essential conditions,” described in the Global Internal Audit Standards, which establish the foundation that enables an effective internal audit function.
- Review communications from the Director regarding plan timing and performance.
- Ensure a quality assurance and improvement program (QAIP) has been established and review the results annually.
- Make appropriate inquiries of senior management and the Director to determine whether scope or resource limitations are appropriate.

MDE Management is responsible for:

- Working collaboratively and collegially with BIA as they conduct their work.
- Complying with applicable laws and regulations (including identifying the requirements with which MDE must comply).
- Establishing and maintaining effective internal controls to help ensure that appropriate goals and objectives are met, resources are used efficiently, economically, and effectively, resources are safeguarded, laws and regulations are followed, and reliable data are obtained, maintained, and fairly disclosed.
- Developing and executing corrective action plans that address the risks raised in findings and recommendations included in audit reports.
- Assuring the critical evaluation of the information presented during the audit process (including the audit report), provision of timely feedback to confirm agreement with the information presented, resolve points of disagreement, and/or identify points of unresolved disagreement, and the prompt development, submission and execution of a corrective action plan, as appropriate.

Bureau of Internal Audit

The Bureau of Internal Audit is responsible for:

- Ensuring that all MDE internal audits comply with auditing standards, including the Global Internal Audit standards, Generally Accepted Government Auditing Standards, etc.
- Utilizing procedures that govern the internal audit process as supplemental guidance to auditing standards.
- Conducting risk assessments to facilitate audit planning.
- Considering the work of others, such as the Mississippi Office of the State Auditor and federal auditors in the execution of the risk-based audit plan
- Ensuring internal audit engagements are performed, documented, and communicated in accordance with the Global Internal Audit Standards and applicable laws and/or regulations.
- Establishing and ensuring adherence to methodologies designed to guide the internal audit function.
- Adhering to applicable laws, policies, standards, charters, and constitution.
- Ensuring that documents and information used in audits are handled with stringent accountability for confidentiality and safekeeping, in conformance with applicable laws and rules.

- Conducting appropriate follow-up and reporting the status of corrective action taken on audit findings reported by internal and external auditors.
- Tracking the resolution of audit findings.
- Providing advice and assistance to MDE management when they are subject to audit or review by an external party, such as federal auditors or the Mississippi Office of the State Auditor.
- Providing feedback on actions under consideration by management (for example, a proposed policy or procedure) from a risk management perspective whenever requested.
- Assisting in the investigation of suspected fraudulent or inappropriate activities within the agency and notifying appropriate management and the Subcommittee of the results.
- Identifying and considering trends and emerging issues, techniques, and practices that could impact MDE and communicate to the Board and Superintendent as appropriate.
- Making fraud referrals to the Office of the State Auditor under Miss. Code Ann. § 7-7-211 and § 25-65-25
- Support a well-trained audit staff by ensuring they collectively possess or obtain the knowledge, skills, and other competencies and qualifications needed to meet the requirements of the Global Internal Audit Standards, maintain a high-quality audit function, and have sufficient relevant professional development to maintain their professional licenses and certifications

Ethics, Professionalism, and Objectivity

Internal Auditors shall adhere to the IIA Code of Ethics and maintain objectivity, integrity, confidentiality, and professional competency in all engagements. Internal Auditors will not be assigned or engage in activities that impair their independence and objectivity, or which might subordinate their professional judgement in fact or appearance.

BIA staff will participate in sanctioned ethics training annually.

BIA staff shall:

- Disclose impairments of independence or objectivity, in fact or appearance, to appropriate parties and at least annually.
- Exhibit professional objectivity in gathering, evaluating, and communicating information.
- Make balanced assessments of all available and relevant facts and circumstances.
- Take necessary precautions to avoid conflicts of interest, bias, and undue influence.

Communication with the Board

In accordance with Miss. Code Ann. §§ 25-65-13 and 17 and State Board Policy, the Director of Internal Audit shall report and provide regular updates to the State Superintendent and the Board Subcommittee on:

- Audit plans and progress,
- Major risks, control issues, or fraud concerns,
- Significant audit results and management responses, and
- Any impairment to independence or compliance with IIA Standards.

The Director may meet directly with the Board Subcommittee or full Board, including in executive session when approved by the State Superintendent or Board Chair to discuss matters affecting audit independence or significant risk.

Scope and Types of Internal Audit Services

The scope of internal audit services covers the entire breadth of the organization, including MDE's activities, assets, and personnel. The scope of internal audit activities also encompasses but is not limited to objective examinations of evidence to provide independent assurance and advisory services to the Board and management on the adequacy and effectiveness of governance, risk management, and control processes for MDE.

The nature and scope of advisory services may be agreed with the party requesting the service, provided the internal audit function does not assume management responsibility. Opportunities for improving the efficiency of governance, risk management, and control processes may be identified during advisory engagements. These opportunities will be communicated to the Board and the appropriate level of management.

Internal audit engagements may include evaluating whether:

- Risks relating to the achievement of MDE's strategic objectives are appropriately identified and managed.
- The actions of MDE's directors, management, employees, and contractors or other relevant parties comply with MDE's policies, procedures, and applicable laws, regulations, and governance standards.
- The results of operations and programs are consistent with established goals and objectives.
- Operations and programs are being carried out effectively, efficiently, and ethically.
- Established processes and systems enable compliance with the policies, procedures, laws, and regulations that could significantly impact MDE.
- The integrity of information and the means used to identify, measure, analyze, classify, and report such information is reliable.
- Resources and assets are acquired economically, used efficiently and sustainably, and protected adequately.

Quality Assurance and Improvement Program (QAIP)

The Director of Internal Audit will develop, implement, and maintain a quality assurance and improvement program (QAIP) that covers all aspects of the internal audit function. The program will include external and internal assessments of the internal audit function's conformance with the Global Internal Audit Standards, as well as performance measurement to assess the internal audit function's progress toward the achievement of its objectives and promotion of continuous improvement. The program also will assess, if applicable, compliance with laws and/or regulations relevant to internal auditing. Also, if applicable, the assessment will include plans to address the internal audit function's deficiencies and opportunities for improvement.

At least annually, the Director of Internal Audit will communicate with the Board about the internal audit function's quality assurance and improvement program, including the results of internal assessments (ongoing monitoring and periodic self-assessments) and external assessments. External assessments will be conducted at least once every five years by a qualified, independent assessor or assessment team from outside MDE; qualifications must include at least one assessor holding an active Certified Internal Auditor® credential.

Acknowledgments/Signatures

Director of Internal Audit/Chief Audit Executive

Date

Internal Audit Subcommittee Chairman

Date