

# COMMISSIONERS OF THE LAND OFFICE

## REGULAR MEETING AGENDA

THURSDAY, JANUARY 14, 2016 AT 2:00 P.M.  
GOVERNOR'S LARGE CONFERENCE ROOM  
STATE CAPITOL BUILDING – SECOND FLOOR  
OKLAHOMA CITY, OKLAHOMA

**Call to Order**

**Roll Call**

**Declaration of a Quorum**

### **1. Request Approval of Minutes for Regular Meeting Held December 16, 2015**

- a. *Presented by Harry W. Birdwell, Secretary*
- b. *Discussion*
- c. *Commission action in which the Board may approve, disapprove or table the matter and/or direct staff to take further action*

### **2. Secretary's Comments**

- a. Distributions to Beneficiaries for Month December 2015
- b. Medical Examiner Building Update
- c. Building Construction for NE 50th (west of Lincoln)

### **3. Presentation of the RSM Audit Results (informational only)**

RSM audited financial statements and each major fund of the Land Office for the year ending June 30, 2015.

- a. Presented by Mike Gibson, Partner, RSM
- b. Discussion

**4. 2016 Statement of Organizational Independence of the Internal Auditor (informational only)**

An annual confirmation of the organizational independence of the internal auditor to the commission is required by the *International Standards for the Professional Practice of Internal Auditing* (Standards). The Institute of Internal Auditors describes organizational independence to be effectively achieved when the internal auditor reports functionally to the Commission and administratively to the Secretary.

- a. Presented by Diana Nichols, Internal Auditor
- b. Discussion

**5. Consideration and Possible Action to Approve the Internal Audit Charter**

The Internal Audit Charter is required by *International Standards for the Professional Practice of Internal Auditing* (Standards). The charter formally defines the internal audit activity in a manner consistent with professional standards. The charter also formally defines the purpose, authority, and responsibilities of the internal audit function. The auditor must review this charter periodically and obtain approval from the commission.

*Recommendation: The Internal Auditor recommends approval of the Internal Audit Charter.*

- a. Presented by Diana Nichols, Internal Auditor
- b. Discussion
- c. Commission Action in which the Board may approve, disapprove or table the matter and/or direct staff to take further action

**6. Consideration and Possible Action to Approve the 2016 Internal Audit Plan**

A risk based annual internal audit plan for 2016 has been developed. This plan is based on consideration of potential risks associated with the agency auditable activities, internal control, risk management, and governance processes.

*Recommendation: The Internal Auditor recommends approval of the 2016 annual internal audit plan.*

- a. Presented by Diana Nichols, Internal Auditor
- b. Discussion
- c. Commission Action in which the Board may approve, disapprove or table the matter and/or direct staff to take further action

**7. External Quality Assessment Review and Peer Review of Internal Audit Activity Results (informational only)**

Professional standards require implementation of a system of quality control which includes periodic external assessments by a qualified, independent assessor/assessment team from outside the organization. An external quality assessment was performed by BKD, LLP and a report was issued December 18, 2015.

- a. Presented by Internal Audit Committee Member, Lisa Hodges, Deputy State Auditor & Inspector
- b. Discussion

**8. Consideration and Possible Action for Approval of Contract in Excess of \$25,000 in Fiscal Year 2016**

My Consulting has an existing contract in the amount of \$48,710 for database management services and development. An increase of \$12,750 is requested for the remainder of FY16 bringing the total amount of this contract to \$61,460.

*Recommendation: The Director of Information Technology recommends approval of an increase in the amount of \$12,750 for the remainder of FY16.*

- a. *Presented by Edward Reyes, Director of IT*
- b. *Discussion*
- c. *Commission action in which the Board may approve, disapprove or table the matter and/or direct staff to take further action*

**9. Consideration and Possible Action to Terminate and Appointment a Fixed Income Investment Manager Contract**

The Investment Committee recommends the termination of the fixed income investment manager contract and the appointment of an interim money manager for this portfolio.

*Recommendation: Chief Financial Officer recommends the termination of the fixed income investment manager contract and the appointment of an interim money manager for this portfolio.*

- a. *Presented by Karen Johnson, Chief Financial Officer*
- b. *Discussion*
- c. *Commission action in which the Board may approve, disapprove or table the matter and/or direct staff to take further action*

## **10. Consent Agenda – Request Approval of November 2015 Agency Monthly Division Summary of Activities**

*The Agenda items presented on the Consent Agenda are considered as one item for voting purposes. The Consent Agenda includes items that are statutorily or constitutionally required to be performed by the Commissioners of the Land Office or are administrative in nature, which are done as a routine action by the Commissioners of the Land Office. If any member of the Commission or any member of the public requests a particular item or items to be considered individually, the matter or matters shall be considered individually.*

- a. *Presented by Harry W. Birdwell, Secretary*
- b. *Discussion*
- c. *Commission action in which the Board may approve, disapprove or table the matter and/or direct staff to take further action*

### *Accounting Division*

1. November 2015
  - a. Claims Paid (routine)
  - b. Expenditure Comparison

### *Minerals Management Division*

1. November 2015
  - a. 11/4/2015 Approval of Oil and Gas Lease Sale Tabulation
  - b. Assignments of Oil and Gas Leases
  - c. Division Orders

### *Real Estate Management Division*

1. November 2015
  - a. Surface Lease Assignments
  - b. Authorization for Improvements
  - c. 20 Year Easements
  - d. Renewed 20 Year Easements
  - e. Assignment of Easements
  - f. Short-Term Commercial Lease Renewals
  - g. 12/16/15 Lease Auction Results

## **11. Financial Information Regarding Investments and Monthly Distributions (informational only)**

### *Investments*

- a. Market Value Comparison November 2015

### *Accounting*

- a. December 2015 Distribution by District and Month

## **12. Executive Session**

- A. Executive Session may be convened to discuss, evaluate, and take possible action pursuant to 25 O.S. § 307(B)(4) allowing confidential communications between the Commission and its attorney concerning pending investigations, claims, or actions on recommendation that disclosure will seriously impair the ability of the Commission to process them in the public interest regarding the following matters *CLO v. Pointe Vista Development, CJ-2014-152*
- B. Executive Session may be held in accordance with 25 O.S. § 307(B)(3) for the purpose of discussing the purchase or appraisal of real property located in Oklahoma County.
  - a. *Recommendation of Lisa Blodgett, General Counsel*
  - b. *Vote to Convene Executive Session*
  - c. *Executive Session*
  - d. *Vote to Return to Open Session*
  - e. *Further consideration and possible action on items discussed during executive session*

## **13. New Business**

The Commission may discuss, consider and take possible action regarding new business that could not have been reasonably anticipated or was unknown prior to the regular meeting.

## **Adjourn**

**NOTICE OF POSTING**

Date / Time: Tuesday, January 12, 2016, before 2:00 p.m.

Locations: Commissioners of the Land Office  
204 N. Robinson, Suite 900  
Oklahoma City, OK 73102  
Governor's Large Conference Room  
State Capitol, 2<sup>nd</sup> Floor  
Oklahoma City, OK 73105

By: Debra Sprehe, Executive Assistant