COMMISSIONERS OF THE LAND OFFICE
INTERNAL AUDIT COMMITTEE SPECIAL MEETING MINUTES
TUESDAY, MARCH 24, 2026, AT 2:00 P.M.

STRATA TOWER,
29TH FLOOR CONFERENCE ROOM,
OKLAHOMA CITY, OKLAHOMA

The agenda was posted online on the Commissioners of the Land Office website and at the Commissioners of the Land Office physical location on March 20, 2026, before 4:30 p.m.

PRESENT

Shane Saunders, Lieutenant Governor's appointee
Teena Gunter, Secretary of Board of Agriculture's appointee
Lisa Hodges, Auditor and Inspector's appointee
Katherine Black, Superintendent of Public Instruction's appointee

ABSENT / EXCUSED

Jennifer Davenport, Governor's appointee

LAND OFFICE STAFF PRESENT

Dan Whitmarsh, Secretary
John Fischer, Assistant Secretary
Perry Tirrell, General Counsel
Mary Ann Vassar, Chief Internal Auditor
Tristan Newbold, Director, Legislative Affairs and Communications
Matt Clarkson, Assistant Director, Financial Services
Sabrina Cabral, Recording Secretary/Executive Assistant

VISITORS

N/A

Chief Internal Auditor Mary Ann Vassar called the meeting to order at 2:04 PM. Auditor Vassar then requested roll be called, confirmed the presence of a quorum and ensured proper posting. She wanted it noted that the Lieutenant governor 's appointee to the committee, Shane Saunders, was in attendance. Mr. Saunders then proceeded to introduce himself.

1. Request Approval of Minutes for Special Meeting Held December 16, 2025

Chief Auditor Vassar asked the Committee to approve the minutes for the special meeting of the Commissioners of the Land Office Internal Audit Committee held on December 16,

2025. She stated the proposed minutes were included in their packets the audio recording of the meeting had also been provided to members who were not in attendance at that meeting.

Motion by Committee Member Gunter to approve the minutes of the special meeting held December 16, 2025; motion seconded by Committee Member Black.

Lt. Gov. Appointee, Saunders:	Aye
Sec. of Board of Ag Appointee, Gunter:	Aye
St. Auditor Appointee, Hodges:	Abstain
Supt. of Pub Instr. Appointee, Black:	Aye

Motion carried.

2. Discussion and Possible Approval of Commercial Real Estate Valuation Report

Chief Auditor Vassar gave a high-level summary of the CRE Valuation report. The project examined three primary areas related to the Commercial Real Estate (CRE) portfolio.

First was the Valuation Methods Review. The audit evaluated how the CLO appraises its diverse commercial real estate holdings. Overall, the CLO is compliant with statutory requirements for establishing fair market value. While a few minor errors were found, none were significant. Because the portfolio is highly varied, multiple valuation methods are used. Management may benefit from reviewing and clarifying preferred valuation approaches, especially given the long historical practices and the need to ensure consistency with USPAP standards and statutory requirements.

The second area was the Process and Internal Controls Assessment (COSO Framework). CRE processes and controls were generally effective. Any deviations from standard controls were offset by compensating controls that adequately mitigated risk. Opportunities for improvement include better organization and retention of appraiser communications and consideration of staffing needs, given the technical expertise required. One minor HR-related discrepancy was noted due to a system conversion.

The last area was the Comparison to Other State Land Trust Valuation Practices. A survey of other state land trusts was conducted to provide management with reference information. Results showed that challenges in valuing land are common across states, reinforcing that issues the CLO experiences are broadly shared.

The conclusion was that the CLO’s valuation practices, controls, and compliance with statutory and state procurement requirements (including for external appraisers) are sound. The report highlights potential enhancements related to method standardization, documentation organization, and staffing capacity. Additional details on scope, data, and methods are available in the appendix.

Motion by Committee Member Hodges to approve the Commercial Real Estate Valuation Report; motion seconded by Committee Member Saunders.

Lt. Gov. Appointee, Saunders:	Aye
Sec. of Board of Ag Appointee, Gunter:	Aye
St. Auditor Appointee, Hodges:	Aye
Supt. of Pub Instr. Appointee, Black:	Aye

Motion carried.

3. Discussion of Current Application Data Integrity Project Status

Auditor Vassar gave a summary on Agenda Item 3 which concerns the ongoing audit of the CLO's internal property database application, which stores all property records. The purpose of this audit is to verify the accuracy and completeness of these records through a structured series of tests. Fieldwork is approximately 25% complete.

The audit compares internal records against GIS data, historical documents, county records, and evidence of past activities, such as lease renewals, parcel splits, exchanges, and changes in legal descriptions. Because many land records are traced back to statehood, part of the work involves reviewing old ledger plat books and reconciling historical information with modern records. The audit focuses on properties likely to have undergone changes and on areas where errors can realistically occur.

Unexpected complexities arise from factors such as river-related boundary changes (accretion, avulsion), inconsistent county notifications, and occasionally discovering parcels the CLO owns that were previously undocumented. The scope is challenging due to the size of the land portfolio and the evolving nature of historical and legal land records, but the goal is to ensure the CLO's system accurately reflects current ownership, boundaries, and activity.

Informational only, no vote was taken.

4. Discussion of Internal Audit Charter Revision

Auditor Vassar gave a summary of the Internal Audit Charter revision as it addressed required updates to the CLO's Internal Audit Charter in response to the new 2025 Global Internal Audit Standards. These standards restructured audit requirements into five domains, fifteen guiding principles, and fifty-two mandatory standards. The changes affecting the charter fall primarily within Domain 3 (Governing the Internal Audit Function), Principle 6, and Mandatory Standard 6.2, which outlines required charter content and related stakeholder responsibilities.

Several areas in the current charter require enhancement or additions, including the following: Updating the purpose statement to align with the new standards' definition of internal audit. Adding language on how the charter is approved by the Board/Committee

and how often it is reviewed. Expanding descriptions of independence, objectivity, and the safeguards in place to protect them. Adding senior management expectations and communication requirements. Providing a brief, high-level overview of the audit process. Incorporating new requirements for quality assurance, internal/external assessments, and how results are communicated. Documenting the committee's role in reviewing and approving the charter, giving input on content, and participating in CAE performance evaluations. And lastly, developing or adopting a tool or structured method for committee feedback on CAE performance (not found in historical records).

Management discussions on content preferences are underway and will be documented to satisfy new standards. A redline draft of the revised charter incorporating these changes is planned for presentation at the June meeting. The goal is to ensure full alignment with the 2025 standards and to prepare for future external quality review.

Informational only, no vote was taken.

5. New Business

No new business.

Motion by Committee Member Gunter to adjourn. Motion seconded by Committee Member Black.

Lt. Gov. Appointee, Saunders:	Aye
Sec. of Board of Ag Appointee, Gunter:	Aye
St. Auditor Appointee, Hodges:	Aye
Supt of Pub Instr. Appointee, Black:	Aye

Motion carried.

Meeting adjourned at 2:40 p.m.