COMMISSIONERS OF THE LAND OFFICE
INTERNAL AUDIT COMMITTEE SPECIAL MEETING MINUTES
TUESDAY, SEPTEMBER 15, 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 September 11, 2026, before 4:00 p.m.

PRESENT

Jennifer Davenport, Governor's appointee
Shane Saunders, Lieutenant Governor's appointee
Lisa Hodges, Auditor and Inspector's appointee
Katherine Black, Superintendent of Public Instruction's appointee

ABSENT / EXCUSED

Teena Gunter, Secretary of Board of Agriculture's appointee

LAND OFFICE STAFF PRESENT

John Fischer, Acting Secretary
Perry Tirrell, General Counsel
Mary Ann Vassar, Chief Internal Auditor
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 2:03 PM. Auditor Vassar then requested roll be called.

1. Request Approval of Minutes for Special Meeting Held June 16, 2026

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 June 16, 2026. She stated the proposed minutes were included in their packets, and the audio recording of the meeting had also been provided to members who were not in attendance at that meeting.

Motion by Committee Member Hodges to approve the minutes of the special meeting held June 16, 2026; motion seconded by Committee Member Katherine Black.

Gov. Appointee, Davenport:	Aye
Lt. Gov. Appointee, Saunders:	Abstain
Supt. of Pub Instr. Appointee, Black:	Aye
St. Auditor Appointee, Hodges:	Aye

Motion carried.

Acting Secretary Fischer asked for confirmation of the presence of a quorum and ensured proper posting. This was confirmed by Recording Secretary Cabral.

2. Discussion on Apportionment and Distribution project progress (informational only)

Chief Auditor Vassar gave a high-level summary of the Apportionment and Distribution project progress.

The project is currently in the closing phase of the review and report-drafting process. She anticipates that it will reach the finalized draft stage within the next week or so. Progress has been slightly delayed due to time spent on another task.

At this point, there were no material issues or major findings. There was one control weakness, or control exception, that was identified. It is not material to the agency's overall financial position, but it is a process issue that warrants mention from an audit perspective because it involves a reconciling item that has been carried forward on the reconciliation schedule for an extended period.

The background is that prior Financial Services Division management intentionally kept the item on the schedule to highlight its existence. The underlying cause was a custodial bank error that created a difference between investment and cash positions. Management chose to display this item within the reconciliation as a way to explain the variance.

However, from a control standpoint, it is not ideal to carry a reconciling item for such a long period. The current FSD management has been aware of it, but resolving it is somewhat complex. Adjustments within the application database could potentially affect current apportionments or create other downstream impacts. Because of this, the correction is being evaluated carefully to ensure it does not introduce new distortions.

Other than this issue, there were no additional findings expected in the report. She and the FSD team are currently working through how best to describe the issue, its origin, and the corrective efforts underway, and she expects this to be the only item included in the final report.

Informational only, no vote was taken.

3. Discussion of Possible Action to consider holding an additional meeting prior to audit staffing change

Chief Internal Auditor Vassar stated that the topic of another meeting was brought to her attention. This would be to handle any transition items. She also reminded the Committee that if there was not going to be an additional meeting that someone would need to stand in the place of the Auditor and present the Apportionment Report or that she could possibly return to present that item.

She also fielded questions about how any issues arising between now and then would be addressed, as well as whether there would be an opportunity for her and the new hire to align on strategic matters before departure date of November 13, 2026.

Chief Internal Auditor Vassar reminded the Committee that the next meeting would not be until December but if the committee is interested in holding an October meeting that would be the best option to review the transition and any pressing items. The availability she gathered indicated that October 27th was the date that worked for the majority.

Motion by Committee Member Saunders to schedule a special meeting held on October 27, 2026; motion seconded by Committee Member Davenport.

Gov. Appointee, Davenport:	Aye
Lt. Gov. Appointee, Saunders:	Aye
Supt. of Pub Instr. Appointee, Black:	Aye
St. Auditor Appointee, Hodges:	Aye

Motion carried.

4. Review and discussion of Application Data Integrity Report issued August 13, 2026 (informational only)

Chief Internal Auditor Vassar reviewed the status of the Application Data Integrity Report that was reviewed without the management response. She told the committee that final report with management response was included in their packets. She did not note any topics that required discussion.

Informational only, no vote was taken.

5. Discussion of Chief Internal Auditor interview process (informational only)

The Audit Committee was informed of a recent leadership change by John Fischer, Acting Secretary. With Secretary Whitmarsh's departure for a position in Nevada, the Commission appointed Assistant Secretary John Fischer as Acting Secretary until a new Secretary is selected next calendar year.

Acting Secretary Fischer updated the Committee regarding the internal audit position. The job posting went live on July 20th and remains open due to the difficulty of finding qualified candidates. HR has forwarded 12 applicants who met minimum requirements. The interview panel consists of Acting Secretary Fischer, Chief Auditor Vasser, and Assistant Director of Finance Phillip Chandler, who brings external audit experience.

Of the candidates interviewed, four advanced to second interviews. One withdrew after accepting another position, and another strong candidate has been unavailable due to personal circumstances. Two candidates completed second interviews last week and performed very well. The interview panel identified a primary and secondary candidate.

The primary candidate, based out of state, declined the offer after discussing it with his family. The panel extended an offer to the secondary candidate, who is local; however, there is a significant salary gap between their current private-sector compensation and the posted range. They were considering the offer, and the panel expected clarity in the next few days.

The market has been challenging. While we have received some highly qualified applicants, many either lack current hands-on audit experience or are not aligned with the role's requirements as a one-person audit division. Some promising candidates may be a better fit after gaining a few more years of experience.

The panel is considering additional outreach, including posting through professional organizations such as the Oklahoma Society of CPAs, the national AICPA, and university channels. Refreshing the Workday/LinkedIn posting may also help visibility.

While the aim is to fill the role promptly, it is more important to select the right candidate. In the event of a gap, efforts are underway to document processes, provide transition materials, and ensure continuity. Chief Internal Auditor Vassar stated that she will remain available for brief follow-up questions after her departure to support a smooth transition.

Informational only, no vote was taken.

6. New Business

No new business.

Motion by Committee Member Hodges to adjourn. Motion seconded by Committee Member Davenport.

Gov. Appointee, Davenport:	Aye
Lt. Gov. Appointee, Saunders:	Aye
Supt. of Pub Instr. Appointee, Black:	Aye
St. Auditor Appointee, Hodges:	Aye

Motion carried. Meeting adjourned at 2:24 p.m.