

**Universal Service Administrative Company
Audit Committee
Quarterly Meeting
Agenda**

**Monday, January 24, 2022
3:00 p.m. – 4:30 p.m. Eastern Time
USAC Offices
700 12th Street, N.W., Suite 900
Washington, D.C. 20005**

OPEN SESSION		<i>Estimated Duration in Minutes</i>
Chair	a1. Consent Items (each item is available for discussion upon request): A. Approval of Audit Committee Meeting Minutes of October 25, 2021 B. Approval of moving all <i>Executive Session</i> items into <i>Executive Session</i>	5
Chair	a2. Recommendation for Election of Committee Chair and Vice Chair	5
Chair	a3. Review of the 2022 Audit Committee Charter	5
Teleshia	i1. Audit and Assurance Business Update <ul style="list-style-type: none"> • 4Q2021 Accomplishments • Plans for 1Q2022 • Audit Aging Analysis • Fiscal Year 2021 Operational Scorecard • Roadmap 	40

EXECUTIVE SESSION Confidential – Executive Session Recommended		<i>Estimated Duration in Minutes</i>
Teleshia	i2. Audit and Assurance Division Business Update (<i>Continued</i>) <ul style="list-style-type: none"> • High Cost Modernized Audit Update • Supply Chain Audit Program Update 	10
Teleshia/ Carol	a4. Action on One USAC Audit and Assurance Division Strategic Audit Report	10
Teleshia	a5. Review of the 2022 Strategic Audit Plan	10
Teleshia	i3. Audit Committee Executive Session with USAC's Vice President of Audit and Assurance	10

Next Scheduled USAC Audit Committee Meeting

**Monday, April 25, 2022
USAC Offices, Washington, D.C.**

Available For Public Use

UNIVERSAL SERVICE ADMINISTRATIVE COMPANY
700 12th Street, N.W., Suite 900
Washington, D.C. 20005

AUDIT COMMITTEE MEETING
Monday, January 24, 2022

MINUTES¹

The quarterly meeting of the Audit Committee (Committee) of the USAC Board of Directors (Board) was held at USAC's offices in Washington, D.C. on Monday, January 24, 2022. A virtual meeting platform was available to the general public for ***Open Session*** to accommodate the need for increased physical distancing on site due to the COVID-19 pandemic. Mr. Geoff Feiss, Committee Chair, called the meeting to order at 3:00 p.m. Eastern Time, with a quorum of all five of the Committee members present:

Choroser, Beth – Vice Chair – <i>by telephone</i>	Gillan, Joe
Feiss, Geoff – Chair – <i>by telephone</i>	Schell, Julie Tritt – <i>by telephone</i>
Fontana, Brent – <i>by telephone</i>	

Other Board members and officers of the corporation present:

Butler, Stephen – Vice President of Shared Services – *by telephone*
Delmar, Teleshia – Vice President of Audit and Assurance
Freeman, Sarah – Member of the Board
Gaither, Victor – Vice President of High Cost – *by telephone*
Garber, Michelle – Vice President of Finance and Chief Financial Officer – *by telephone*
Gregory, Amber – Member of the Board – *by telephone*
Hughet, Pamela – Vice President of Lifeline – *by telephone*
Hutchinson, Kyle – Vice President of IT and Chief Information Officer – *by telephone*
Mason, Ken – Member of the Board – *by telephone*
Sekar, Radha – Chief Executive Officer
Skriwan, Michael – Member of the Board – *by telephone*
Sweeney, Mark – Vice President of Rural Health Care – *by telephone*
Waller, Jeff – Member of the Board – *by telephone*
Wade, Dr. Joan – Member of the Board – *by telephone*
Wein, Olivia – Member of the Board
Wibberly, Dr. Kathy – Member of the Board

¹ Draft resolutions were presented to the Committee prior to the Committee meeting. Where appropriate, non-substantive changes have been made to the resolutions set forth herein to clarify language, where necessary, or to correct grammatical or spelling errors.

Others present:

<u>NAME</u>	<u>COMPANY</u>
Augustino, Steven – <i>by telephone</i>	Kelley Drye & Warren LLP
Boakye-Gyan, Carol – <i>by telephone</i>	USAC
Hurley, Michelle – <i>by telephone</i>	CSM Consulting, Inc.
Kriete, Debra – <i>by telephone</i>	State E-Rate Coordinators' Alliance
Nuzzo, Patsy	USAC
Pace, Regina – <i>by telephone</i>	USAC
Phillippi, Megan	USAC
Schrader, Theresa – <i>by telephone</i>	Broadband Legal Strategies, LLC
Sutherland, Beverly – <i>by telephone</i>	EdTechnologyFunds, Inc.
Tiwari, Tanya	USAC
Williams, Erin	USAC

OPEN SESSION

All materials from *Open Session* can be found on the [USAC website](#).

a1. Consent Items. Mr. Feiss presented this item to the Committee.

A. Approval of Committee meeting minutes of October 25, 2021.

B. Approval of moving all *Executive Session* items into *Executive Session*:

- (1) **i2** – Audit and Assurance Division Business Update (*Continued*).
USAC management recommended that this matter be discussed in Executive Session because it relates to *specific internal controls or confidential company data* that would constitute a discussion of internal rules and procedures, and may also include discussion of *investigatory records of pending or contemplated enforcement action* against participants in the universal service support mechanisms.
- (2) **a4** – Action on One USAC Audit and Assurance Division Strategic Audit Report. USAC management recommended that this matter be discussed in *Executive Session* because these reports relate to *specific internal controls or confidential company data* that would constitute a discussion of internal rules and procedures.
- (3) **a5** – Review of the 2022 Strategic Audit Plan. USAC management recommended that this matter be discussed in *Executive Session* because it relates to *specific internal controls, or confidential company data* that would constitute a discussion of internal rules and procedures.
- (4) **i3** – Audit Committee *Executive Session* with USAC's Vice President of Audit and Assurance. USAC management recommended that this matter be discussed in *Executive Session* pursuant to the guidelines in the approved Audit Committee Charter.

On a motion duly made and seconded, and after discussion, the Committee adopted the following resolutions:

RESOLVED, that the Audit Committee of the USAC Board of Directors hereby approves: (1) the Committee meeting minutes of October 25, 2021; and (2) discussion in *Executive Session* of the items noted above.

- a2. Recommendation for Election of Committee Chair and Vice Chair.** Mr. Feiss introduced Ms. Freeman. As a member of the Nominating Committee, Ms. Freeman reported on the election recommendations for the Audit Committee.

On a motion duly made and seconded, and after discussion, the Committee adopted the following resolution:

RESOLVED, that the USAC Audit Committee recommends that the USAC Board of Directors elect **Geoff Feiss** as Chair and **Beth Choroser** as Vice Chair of the Committee. The term for each position begins immediately upon the election to such position by the Board and ends at such time as the Chair or Vice Chair (as the case may be): (i) is replaced by a successor selected by the Board, (ii) resigns from the Committee or the Board, (iii) is removed by resolution of the Board, or (iv) is no longer a member of the Board (whichever comes first).

- a3. Review of the 2022 Audit Committee Charter.** Ms. Delmar presented a report to the Committee suggesting minor revisions to the Charter.

On a motion duly made and seconded, and after discussion, the Committee adopted the following resolution:

RESOLVED, that the USAC Audit Committee, having reviewed the revised Audit Committee Charter presented by the USAC Audit and Assurance Division, recommends that the USAC Board of Directors approve the revised Audit Committee Charter.

- ii. Audit and Assurance Business Update.** Ms. Delmar presented PowerPoint slides to the Committee for discussion covering the following topics:

- 4Q2021 Accomplishments
- Plans for 1Q2022
- Audit Aging Analysis
- Fiscal Year (FY) 2021 Operational Scorecard
- Roadmap

At 3:50 p.m. Eastern Time, on a motion duly made and seconded, the Committee moved into *Executive Session* for the purpose of discussing confidential items. Only members of the Board and USAC staff were present.

EXECUTIVE SESSION

- i2. **Audit and Assurance Business Update (*Continued*).** Ms. Delmar presented PowerPoint slides to the Committee for discussion covering the following topics:
- High Cost Modernized Audit Update
 - Supply Chain Audit Program Update
- a4. **Action on One USAC Audit and Assurance Division Strategic Audit Report.** Ms. Delmar presented the findings, noting there were satisfactory internal controls in the Rural Health Care program's competitive bidding review process, and discussing further recommended enhancements to existing internal controls.

On a motion duly made and seconded and after discussion, the Committee adopted the following resolution:

RESOLVED, that the USAC Audit Committee, having reviewed the USAC Audit and Assurance Division's strategic audit report of USAC's competitive bidding review process for the Rural Health Care program, accepts the recommendation of USAC management and hereby deems the report final.

- a5. **Review of the 2022 Strategic Audit Plan.** Ms. Delmar presented a report to the Committee on the proposed 2022 Strategic Audit Plan including the audit area, audit objectives, and a high-level summary of each audit to be conducted

On a motion duly made and seconded and after discussion, the Committee adopted the following resolution:

RESOLVED, that the USAC Audit Committee approves the 2022 Strategic Audit Plan.

- i3. **Audit Committee *Executive Session* with USAC's Vice President of Audit and Assurance.** The Committee determined that a confidential *Executive Session* for the Vice President of Audit and Assurance to meet with members of the Audit Committee and Board of Directors was not needed due to several Committee and Board members participating in the meeting remotely. Mr. Feiss noted this confidential *Executive Session* will take place at the next quarterly meeting on April 25, 2022.

OPEN SESSION

At 4:20 p.m. Eastern Time, the Committee moved out of *Executive Session* and immediately reconvened in *Open Session*, at which time Mr. Feiss reported that, in *Executive Session*, the Committee took action on items a4 and a5 and discussed item i2.

On a motion duly made and seconded, the Committee adjourned at 4:21 p.m. Eastern Time.

/s/ Olivia Wein
Secretary

**Universal Service Administrative Company
Audit Committee
Quarterly Meeting
Agenda**

**Monday, April 25, 2022
10:00 a.m. – 11:05 a.m. Eastern Time
USAC Offices
700 12th Street, N.W., Suite 900
Washington, D.C. 20005**

OPEN SESSION		<i>Estimated Duration in Minutes</i>
Chair	a1. Consent Items (each item is available for discussion upon request): <ul style="list-style-type: none"> A. Approval of Audit Committee Meeting Minutes of January 24, 2022 B. Approval of moving all <i>Executive Session</i> items into <i>Executive Session</i> C. Review of USAC's Processes to Assess Compliance with Applicable Laws and Regulations 	5
Teleshia	i1. Audit and Assurance Business Update <ul style="list-style-type: none"> • 1Q2022 Accomplishments • Plans for 2Q2022 • Audit Aging Analysis • Roadmap • Post Audit Assessment Survey Results 	40

EXECUTIVE SESSION Confidential – <i>Executive Session Recommended</i>		<i>Estimated Duration in Minutes</i>
Teleshia	i2. Audit and Assurance Division Business Update (<i>Continued</i>) <ul style="list-style-type: none"> • High Cost Modernized Audits 	10
Teleshia	i3. Audit Committee Executive Session with USAC's Vice President of Audit and Assurance	10

Next Scheduled USAC Audit Committee Meeting

**Monday, July 25, 2022
USAC Offices, Washington, D.C.**

UNIVERSAL SERVICE ADMINISTRATIVE COMPANY
700 12th Street, N.W., Suite 900
Washington, D.C. 20005

AUDIT COMMITTEE MEETING
Monday, April 25, 2022

MINUTES¹

The quarterly meeting of the Audit Committee (Committee) of the USAC Board of Directors (Board) was held at USAC's offices in Washington, D.C. on Monday, April 25, 2022. A virtual meeting platform was available to the general public for ***Open Session*** to accommodate the need for increased physical distancing on site due to the COVID-19 pandemic. Mr. Geoff Feiss, Committee Chair, called the meeting to order at 10:03 a.m. Eastern Time, with a quorum of four of five Committee members present:

Choroser, Beth – Vice Chair
Feiss, Geoff – Chair

Gillan, Joe
Schell, Julie Tritt

Mr. Brent Fontana joined the meeting at 10:14 a.m. Eastern Time. He did not participate in the discussion of or vote on item a1.

Other Board members and officers of the corporation present:

Beyerhelm, Chris – Chief Administrative Officer – *by telephone*
Butler, Stephen – Vice President of Shared Services – *by telephone*
Buzacott, Alan – Member of the Board – *by telephone*
Davis, Craig – Vice President of Schools and Libraries
Delmar, Teleshia – Vice President of Audit and Assurance
Garber, Michelle – Vice President of Finance, Chief Financial Officer, and
Assistant Treasurer – *by telephone*
Gregory, Amber – Member of the Board – *by telephone*
Hughet, Pamela – Vice President of Lifeline – *by telephone*
Hutchinson, Kyle – Vice President of IT and Chief Information Officer – *by telephone*
Mason, Ken – Member of the Board
Sekar, Radha – Chief Executive Officer
Skrivan, Michael – Member of the Board
Sweeney, Mark – Vice President of Rural Health Care – *by telephone*
Waller, Jeff – Member of the Board – *by telephone*
Wade, Dr. Joan – Member of the Board
Wein, Olivia – Member of the Board
Williams, Erin – Acting Vice President, General Counsel, and Assistant Secretary

¹ Draft resolutions were presented to the Committee prior to the Committee meeting. Where appropriate, non-substantive changes have been made to the resolutions set forth herein to clarify language, where necessary, or to correct grammatical or spelling errors.

Others present:

<u>NAME</u>	<u>COMPANY</u>
Augustino, Steven – <i>by telephone</i>	Nelson Mullins
Glisson, Connor – <i>by telephone</i>	USAC
Goode, Vernell	USAC
Kriete, Debra – <i>by telephone</i>	State E-Rate Coordinators' Alliance
Morning, Kimberly – <i>by telephone</i>	Morgan Lewis
Nuzzo, Patsy	USAC
Pace, Regina – <i>by telephone</i>	USAC
Phillippi, Megan	USAC
Sadirkhanova, Sabina – <i>by telephone</i>	USAC
Schrader, Theresa – <i>by telephone</i>	Broadband Legal Strategies, LLC
Tiwari, Tanya – <i>by telephone</i>	Morgan Lewis
Wilson Jr., Jerusa Carl – <i>by telephone</i>	USAC

OPEN SESSION

All materials from *Open Session* can be found on the [USAC website](#).

a1. Consent Items. Mr. Feiss presented this item to the Committee.

A. Approval of Committee meeting minutes of January 24, 2022.

B. Approval of moving all *Executive Session* items into *Executive Session*:

- (1) **i2** – Audit and Assurance Division Business Update (*Continued*).
USAC management recommended that this matter be discussed in Executive Session because it relates to *specific internal controls or confidential company data* that would constitute a discussion of internal rules and procedures, and may also include discussion of *investigatory records or pending or contemplated enforcement action* against participants in the universal service support mechanisms.
- (2) **i3** – Audit Committee *Executive Session* with USAC's Vice President of Audit and Assurance. USAC management recommended that this matter be discussed in *Executive Session* pursuant to the guidelines in the approved Audit Committee Charter.

C. Review of USAC's Processes to Assess Compliance with applicable Laws and Regulations.

On a motion duly made and seconded, and after discussion, the Committee adopted the following resolutions:

RESOLVED, that the Audit Committee of the USAC Board of Directors hereby approves: (1) the Committee meeting minutes of January 24, 2022; (2) discussion in ***Executive Session*** of the items noted above; and (3) USAC's Processes to Assess Compliance with Applicable Laws and Regulations.

- i1. Audit and Assurance Business Update.** Ms. Delmar presented PowerPoint slides to the Committee for discussion covering the following topics:
- 1Q2022 Accomplishments
 - Plans for 2Q2022
 - Audit Aging Analysis
 - Roadmap
 - Post Audit Assessment Survey Results

At 10:40 a.m. Eastern Time, on a motion duly made and seconded, the Committee moved into ***Executive Session*** for the purpose of discussing confidential items. Only members of the Board and USAC staff were present.

EXECUTIVE SESSION

- i2. Audit and Assurance Business Update (*Continued*).** Ms. Delmar presented PowerPoint slides to the Committee for discussion covering the following topic:
- High Cost Modernized Audits

At 10:55 a.m. Eastern Time, on a motion duly made and seconded, the Committee continued in Executive Session with only members of the Board and Ms. Delmar present.

- i3. Audit Committee *Executive Session* with USAC's Vice President of Audit and Assurance.** Per the guidelines in the approved Audit Committee Charter, Ms. Delmar met with members of Audit Committee and Board of Directors in a confidential ***Executive Session***.

OPEN SESSION

At 11:10 a.m. Eastern Time, the Committee moved out of ***Executive Session*** and immediately reconvened in ***Open Session***, at which time Mr. Feiss reported that, in ***Executive Session***, the Committee discussed items i2 and i3.

On a motion duly made and seconded, the Committee adjourned at 11:10 a.m. Eastern Time.

/s/ Erin Williams
Assistant Secretary

**Universal Service Administrative Company
Audit Committee
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Agenda**

**Monday, July 25, 2022
10:00 a.m. – 11:55 a.m. Eastern Time
USAC Offices
700 12th Street, N.W., Suite 900
Washington, D.C. 20005**

OPEN SESSION		<i>Estimated Duration in Minutes</i>
Chair	a1. Consent Items (each item is available for discussion upon request): <ul style="list-style-type: none"> A. Approval of Audit Committee Meeting Minutes of April 25, 2022 B. Approval of moving all <i>Executive Session</i> items into <i>Executive Session</i> C. Annual Review of USAC's System of Internal Controls (See aAC03cf) D. Annual Review of USAC's Financial Reporting Process (See aAC04cf) 	5
Teleshia	i1. Audit and Assurance Business Update <ul style="list-style-type: none"> • Q2 2022 Accomplishments • Plans for Q3 2022 • Audit Aging Analysis • Roadmap 	40

EXECUTIVE SESSION Confidential – <i>Executive Session Recommended</i>		<i>Estimated Duration in Minutes</i>
Teleshia	i2. Audit and Assurance Division Business Update (<i>Continued</i>) <ul style="list-style-type: none"> • FY2021 Lifeline Unknown Payment Reclassifications Results • PQA FY2021 Lifeline Unknown Payment Reclassifications 	10
Teleshia	a2. Action on One USAC Audit and Assurance Division Strategic Audit Report	10
Teleshia	a3. Annual Review of USAC's System of Internal Controls	-
Teleshia	a4. Annual Review of USAC's Financial Reporting Process	-
Michelle / PwC (Tom Leonard – Partner)	a5. Acceptance of USAC's 2021 Annual Financial Statement Audit and Agreed-Upon Procedures Review (Same as iBOD05cf)	20

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PwC	i3. Audit Committee Executive Session with USAC's Independent Audit Firm	20
Teleshia	i4. Audit Committee Executive Session with USAC's Vice President of Audit and Assurance	10

Next Scheduled USAC Audit Committee Meeting

Monday, October 24, 2022 USAC Offices, Washington, D.C.
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UNIVERSAL SERVICE ADMINISTRATIVE COMPANY
700 12th Street, N.W., Suite 900
Washington, D.C. 20005

AUDIT COMMITTEE MEETING
Monday, July 25, 2022

MINUTES¹

The quarterly meeting of the Audit Committee (Committee) of the USAC Board of Directors (Board) was held at USAC's offices in Washington, D.C. on Monday, July 25, 2022. A virtual meeting platform was available to the general public for ***Open Session*** to accommodate the need for increased physical distancing on site due to the COVID-19 pandemic. Mr. Geoff Feiss, Committee Chair, called the meeting to order at 10:01 a.m. Eastern Time, with a quorum of four of five Committee members present:

Choroser, Beth – Vice Chair – <i>by telephone</i>	Gillan, Joe
Feiss, Geoff – Chair	Schell, Julie Tritt

Member of the Committee not present:

Fontana, Brent

Other Board members and officers of the corporation present:

Beyerhelm, Chris – Vice President and Chief Administrative Officer – *by telephone*
Davis, Craig – Vice President of Schools and Libraries – *by telephone*
Delmar, Teleshia – Vice President of Audit and Assurance
Garber, Michelle – Vice President of Finance, Chief Financial Officer, and
Assistant Treasurer
Gaither, Victor – Vice President of High Cost – *by telephone*
Gregory, Amber – Member of the Board
Hughet, Pamela – Vice President of Lifeline – *by telephone*
Hutchinson, Kyle – Vice President of IT and Chief Information Officer – *by telephone*
Mason, Ken – Member of the Board
Sekar, Radha – Chief Executive Officer
Skrivan, Michael – Member of the Board
Sweeney, Mark – Vice President of Rural Health Care – *by telephone*
Waller, Jeff – Member of the Board – *by telephone*
Wein, Olivia – Member of the Board
Wibberly, Dr. Kathy – Member of the Board
Williams, Erin – Vice President, General Counsel, and Assistant Secretary

¹ Draft resolutions were presented to the Committee prior to the Committee meeting. Where appropriate, non-substantive changes have been made to the resolutions set forth herein to clarify language, where necessary, or to correct grammatical or spelling errors.

Others present:

<u>NAME</u>	<u>COMPANY</u>
Augustino, Steven – <i>by telephone</i>	Nelson Mullins
Bartug, Logan – <i>by telephone</i>	PwC
Bolling, Christopher – <i>by telephone</i>	USAC
Case, Kevin – <i>by telephone</i>	USAC
Evirgen, Danielle – <i>by telephone</i>	Frontier Communications
Faunce, Donna – <i>by telephone</i>	USAC
Glisson, Connor – <i>by telephone</i>	USAC
Goode, Vernell	USAC
LeNard, Dave – <i>by telephone</i>	CDW-G
Leonard, Tom – <i>by telephone</i>	PwC
Little, Christopher – <i>by telephone</i>	USAC
Morning, Kimberly – <i>by telephone</i>	Morgan Lewis
Nuzzo, Patsy	USAC
Parsons, Laura – <i>by telephone</i>	Maximus
Phillippi, Megan	USAC
Rios, Estee – <i>by telephone</i>	USAC
Sadirkhanova, Sabina – <i>by telephone</i>	USAC
Schrader, Theresa – <i>by telephone</i>	Broadband Legal Strategies, LLC
Smith, Grayson – <i>by telephone</i>	USAC
Tiwari, Tanya – <i>by telephone</i>	Morgan Lewis
Truong, Huy – <i>by telephone</i>	USAC
Weidinger, Andrew – <i>by telephone</i>	PwC
Wilson Jr., Jerusa Carl	USAC

OPEN SESSION

All materials from **Open Session** can be found on the [USAC website](#).

a1. Consent Items. Mr. Feiss presented this item to the Committee.

A. Approval of Committee meeting minutes of April 25, 2022.

B. Approval of moving all **Executive Session** items into **Executive Session**:

- (1) **i2** – Audit and Assurance Division Business Update (*Continued*).
USAC management recommended that this matter be discussed in Executive Session because it relates to ***specific internal controls or confidential company data*** that would constitute a discussion of internal rules and procedures, and may also include discussion of ***investigatory records or pending or contemplated enforcement action*** against participants in the universal service support mechanisms.
- (2) **a2** – Action on One USAC Audit and Assurance Division Strategic Audit Report. USAC management recommended that this matter be discussed in **Executive Session** because it relates to ***specific internal controls or confidential company data*** that would constitute a

discussion of internal rules and procedures. In addition, this item may include discussion of ***internal rules and procedures*** concerning the administration of the universal service support mechanisms where discussion of the matter in open session would result in ***disclosure of confidential techniques and procedures*** that would compromise program integrity.

- (3) **a3** – Annual Review of USAC’s System of Internal Controls. USAC management recommended that this matter be conducted in Executive Session because this matter relates to ***specific internal controls, or confidential company data*** that would constitute a discussion of internal rules and procedures.
 - (4) **a4** – Annual Review of USAC’s Financial Reporting Process. USAC management recommended that this matter be conducted in ***Executive Session*** because this matter relates to ***specific internal controls, or confidential company data*** that would constitute a discussion of internal rules and procedures.
 - (5) **a5** – Acceptance of USAC’s 2021 Annual Financial Statement Audit and Agreed-Upon Procedures Review. USAC management recommended that this matter be discussed in ***Executive Session*** because it relates to ***specific internal controls, or confidential company data*** that would constitute a discussion of internal rules and procedures.
 - (6) **i3** – Audit Committee Executive Session with USAC’s Independent Audit Firm. USAC management recommended that this matter be discussed in ***Executive Session*** pursuant to the guidelines in the approved Audit Committee Charter.
 - (7) **i4** – Audit Committee Executive Session with USAC’s Vice President of Audit and Assurance. USAC management recommended that this matter be discussed in ***Executive Session*** pursuant to the guidelines in the approved Audit Committee Charter.
- C. Annual Review of USAC’s Systems of Internal Controls. In accordance with Section III.F of the Committee’s Charter, the Committee is required to review the adequacy of USAC’s system of internal controls.
- D. Annual Review of USAC’s Financial Reporting Process. In accordance with Section III.C of the Committee’s Charter, the Committee, is required to review the integrity of USAC’s financial reporting process.

On a motion duly made and seconded, and after discussion, the Committee adopted the following resolutions:

RESOLVED, that the Audit Committee of the USAC Board of Directors hereby approves: (1) the Committee meeting minutes of April 25, 2022; (2) discussion in *Executive Session* of the items noted above; (3) the review of USAC's system of internal controls; and (4) the review of USAC's financial reporting process.

- i1. Audit and Assurance Business Update.** Ms. Delmar presented PowerPoint slides to the Committee for discussion covering the following topics:
- Q2 2022 Accomplishments
 - Plans for Q3 2022
 - Audit Aging Analysis
 - Roadmap

At 10:28 a.m. Eastern Time, on a motion duly made and seconded, the Committee moved into *Executive Session* for the purpose of discussing confidential items. Only members of the Board and USAC staff were present.

EXECUTIVE SESSION

- i2. Audit and Assurance Business Update (*Continued*).** Ms. Delmar presented PowerPoint slides to the Committee for discussion covering the following topics:
- FY2021 Lifeline Unknown Payment Reclassifications Results
 - PQA FY2021 Lifeline Unknown Payment Reclassifications
- a2. Action on One USAC Audit and Assurance Division Strategic Audit Report.** Ms. Delmar presented this item to the Committee.

On a motion duly made and seconded and after discussion, the Committee adopted the following resolution:

RESOLVED, that the USAC Audit Committee, having reviewed the USAC Audit and Assurance Division's strategic audit report of USAC's Access Control management practices, accepts the recommendation of USAC management and hereby deems the report final.

- a3. Annual Review of USAC's System of Internal Controls.** A report on this item was provided in the briefing book and approved by the Committee as part of the Consent Items.
- a4. Annual Review of USAC's Financial Reporting Process.** A report on this item was provided in the briefing book and approved by the Committee as part of the Consent Items.
- a5. Acceptance of USAC's 2021 Annual Financial Statement Audit and Agreed-Upon Procedures Review.** Ms. Garber introduced Mr. Leonard, Mr. Weidinger, and Mrs. Bartug who presented an overview of the USAC 2021 Financial Statement Audit and Agreed-Upon Procedures (AUP) review reports.

On a motion duly made and seconded and after discussion, the Committee adopted the following resolutions:

RESOLVED, that the USAC Audit Committee, having reviewed the USAC 2021 Financial Statement Audit Report, as submitted by PricewaterhouseCoopers LLP, hereby accepts the final report;

RESOLVED FURTHER, that the USAC Audit Committee, having reviewed the summary of the USAC 2021 Agreed-Upon Procedures Review Report, as submitted by PricewaterhouseCoopers LLP, hereby accepts the final report.

At 11:05 a.m. Eastern Time, the Committee continued in Executive Session with only members of the Board and representatives from USAC's Independent Audit Firm present.

- i3. Audit Committee *Executive Session* with Audit Committee Executive Session with USAC's Independent Audit Firm – PricewaterhouseCoopers LLP (PwC).** Per the guidelines in the approved Audit Committee Charter, representatives from USAC's independent auditing firm met with members of Audit Committee and Board of Directors in a confidential *Executive Session*.

At 11:19 a.m. Eastern Time, the Committee continued in Executive Session with only members of the Board and Ms. Delmar present.

- i4. Audit Committee *Executive Session* with USAC's Vice President of Audit and Assurance.** Per the guidelines in the approved Audit Committee Charter, Ms. Delmar met with members of Audit Committee and Board of Directors in a confidential *Executive Session*.

OPEN SESSION

At 11:41 a.m. Eastern Time, the Committee moved out of *Executive Session* and immediately reconvened in *Open Session*, at which time Mr. Feiss reported that, in *Executive Session*, the Committee took action on items a2 and a5 and discussed items i2-i4.

On a motion duly made and seconded, the Committee adjourned at 11:41 a.m. Eastern Time.

/s/ Erin Williams
Assistant Secretary

**Universal Service Administrative Company
Audit Committee
Quarterly Meeting
Agenda**

**Monday, October 24, 2022
10:00 a.m. – 11:25 a.m. Eastern Time
USAC Offices
700 12th Street, N.W., Suite 900
Washington, D.C. 20005**

OPEN SESSION		<i>Estimated Duration in Minutes</i>
Chair	a1. Consent Items (each item is available for discussion upon request): <ul style="list-style-type: none"> A. Approval of Audit Committee Meeting Minutes of July 25, 2022 B. Approval of moving all <i>Executive Session</i> items into <i>Executive Session</i> C. Annual Assessment of the Independence and Financial Literacy of USAC Audit Committee Members 	5
Teleshia	i1. Audit and Assurance Division Business Update: <ul style="list-style-type: none"> • 3Q2022 Accomplishments • Plans for 4Q2022 • Audit Aging Analysis • Roadmap 	30

EXECUTIVE SESSION Confidential – Executive Session Recommended		<i>Estimated Duration in Minutes</i>
Teleshia	i2. Audit and Assurance Division Business Update (<i>Continued</i>) <ul style="list-style-type: none"> • Improper Payment Results 	15
Teleshia	a2. Action on Two USAC Audit and Assurance Division Strategic Audit Reports	10
Teleshia	a3. Review of the USAC Audit and Assurance Division External Peer Review Report	10
Teleshia	a4. Review of the Audit and Assurance Division Charter	5
Teleshia	i3. Audit Committee Executive Session with USAC's Vice President of Audit and Assurance	10

Next Scheduled USAC Audit Committee Meeting

**Monday, January 30, 2023
USAC Offices, Washington, D.C.**

UNIVERSAL SERVICE ADMINISTRATIVE COMPANY
700 12th Street, N.W., Suite 900
Washington, D.C. 20005

AUDIT COMMITTEE MEETING
Monday, October 24, 2022

MINUTES¹

The quarterly meeting of the Audit Committee (Committee) of the USAC Board of Directors (Board) was held at USAC's offices in Washington, D.C. on Monday, October 24. Mr. Geoff Feiss, Committee Chair, called the meeting to order at 10:00 a.m. Eastern Time, with a quorum of four of five Committee members present:

Fontana, Brent – *by telephone*
Feiss, Geoff – Chair

Gillan, Joe
Schell, Julie Tritt

Member of the Committee not present:

Choroser, Beth – Vice Chair

Other Board members and officers of the corporation present:

Beyerhelm, Chris – Vice President and Chief Administrative Officer – *by telephone*
Butler, Stephen – Vice President of Shared Services
Buzacott, Alan – Member of the Board
Chalk, Indra – Member of the Board
Delmar, Teleshia – Vice President of Audit and Assurance
Domenech, Dr. Dan – Member of the Board
Freeman, Sarah – Member of the Board
Garber, Michelle – Vice President of Finance, Chief Financial Officer, and
Assistant Treasurer – *by telephone*
Gaither, Victor – Vice President of High Cost – *by telephone*
Gregory, Amber – Member of the Board
Mason, Ken – Member of the Board
Polk, Stephanie – Member of the Board
Sekar, Radha – Chief Executive Officer
Skriwan, Michael – Member of the Board
Sweeney, Mark – Vice President of Rural Health Care – *by telephone*
Wade, Joan – Member of the Board
Waller, Jeff – Member of the Board – *by telephone*
Wein, Olivia – Member of the Board
Wibberly, Dr. Kathy – Member of the Board – *by telephone*
Williams, Erin – Vice President, General Counsel, and Assistant Secretary

¹ Draft resolutions were presented to the Committee prior to the Committee meeting. Where appropriate, non-substantive changes have been made to the resolutions set forth herein to clarify language, where necessary, or to correct grammatical or spelling errors.

Others present:

<u>NAME</u>	<u>COMPANY</u>
Augustino, Steven – <i>by telephone</i>	Nelson Mullins
Benham, Cathy – <i>by telephone</i>	CSM
Bolling, Christopher – <i>by telephone</i>	USAC
Cajou, Fabienne	USAC
Case, Kevin – <i>by telephone</i>	USAC
Edmonds, Daisy	USAC
Evirgen, Danielle – <i>by telephone</i>	Frontier Communications
Glisson, Connor – <i>by telephone</i>	USAC
Goode, Vernell	USAC
Hernandez, Katie – <i>by telephone</i>	Montana Public Service Commission
Lacey-Morning, Kimberly – <i>by telephone</i>	Morgan Lewis
Lee, James – <i>by telephone</i>	USAC
LeNard, Dave – <i>by telephone</i>	CDW-G
Little, Christopher	USAC
Nuzzo, Patsy	USAC
Phillippi, Megan	USAC
Rovetto, Ed – <i>by telephone</i>	USAC
Sadirkhanova, Sabina – <i>by telephone</i>	USAC
Schrader, Theresa – <i>by telephone</i>	Broadband Legal Strategies, LLC
Spade, Gina – <i>by telephone</i>	Broadband Legal Strategies, LLC
Sutherland, Beverly – <i>by telephone</i>	EdTechnologyFunds
Wilson Jr., Jerusa Carl	USAC

OPEN SESSION

All materials from **Open Session** can be found on the [USAC website](#).

a1. Consent Items. Mr. Feiss presented this item to the Committee.

A. Approval of Committee meeting minutes of July 25, 2022.

B. Approval of moving all **Executive Session** items into **Executive Session**:

- (1) **i2** – Audit and Assurance Division Business Update (*Continued*).
USAC management recommended that this matter be discussed in Executive Session because it relates to ***specific internal controls or confidential company data*** that would constitute a discussion of internal rules and procedures, and may also include discussion of ***investigatory records or pending or contemplated enforcement action*** against participants in the universal service support mechanisms.
- (2) **a2** – Action on Two USAC Audit and Assurance Division Strategic Audit Reports. USAC management recommended that this matter be discussed in **Executive Session** because it relates to ***specific***

- internal controls or confidential company data* that would constitute a discussion of internal rules and procedures.
- (3) **a3** – Review of the USAC Audit and Assurance Division External Peer Review Report. USAC management recommended that this matter be conducted in *Executive Session* because this matter relates to *specific internal controls, or confidential company data* that would constitute a discussion of internal rules and procedures.
 - (4) **a4** – Review of the Audit and Assurance Division Charter. USAC management recommended that this matter be conducted in *Executive Session* because this matter relates to *specific internal controls, or confidential company data* that would constitute a discussion of internal rules and procedures.
 - (5) **i3** – Audit Committee Executive Session with USAC’s Vice President of Audit and Assurance. USAC management recommended that this matter be discussed in *Executive Session* pursuant to the guidelines in the approved Audit Committee Charter and because it may relate to *specific internal controls or confidential company data* that would constitute a discussion of internal rules and procedures.

- C. Acceptance of the Annual Assessment of the Independence and Financial Literacy of USAC Audit Committee Members. In accordance with Section II.A of the Committee’s Charter, the Committee members are required to meet established independence requirements.

On a motion duly made and seconded, and after discussion, the Committee adopted the following resolutions:

RESOLVED, that the Audit Committee of the USAC Board of Directors hereby approves: (1) the Committee meeting minutes of July 25, 2022; (2) discussion in *Executive Session* of the items noted above; and

RESOLVED FURTHER, that the USAC Audit Committee accepts the assessment and agrees that the Audit Committee consists of independent members and that there is a sufficient level of financial expertise.

- i1. Audit and Assurance Business Update.** Ms. Delmar presented PowerPoint slides to the Committee for discussion covering the following topics:
- 3Q2022 Accomplishments
 - Plans for 4Q2022
 - Audit Aging Analysis
 - Roadmap

At 10:25 a.m. Eastern Time, on a motion duly made and seconded, the Committee moved into *Executive Session* for the purpose of discussing confidential items. Only members of the Board and USAC staff were present.

EXECUTIVE SESSION

- i2. **Audit and Assurance Business Update (*Continued*).** Ms. Delmar presented PowerPoint slides to the Committee for discussion covering the following topic:
- Improper Payment Results
- a2. **Action on Two USAC Audit and Assurance Division Strategic Audit Reports.** Ms. Delmar presented this item to the Committee.

On a motion duly made and seconded and after discussion, the Committee adopted the following resolution:

RESOLVED, that the USAC Audit Committee, having reviewed the USAC Audit and Assurance Division's strategic audit reports of USAC's Privacy Compliance Practices and the High Cost Program's Validation and Verification Processes, accepts the recommendation of USAC management and hereby deems the reports final.

- a3. **Review of the USAC Audit and Assurance Division External Peer Review Report.** Ms. Delmar presented this item to the Committee.

On a motion duly made and seconded and after discussion, the Committee adopted the following resolution:

RESOLVED, that the Audit Committee of the USAC Board of Directors, having reviewed the external Peer Review reports submitted by Honkamp Krueger & Co, P.C., hereby deems the reports final.

- a4. **Review of the Audit and Assurance Division Charter.** Ms. Delmar presented this item to the Committee.

On a motion duly made and seconded and after discussion, the Committee adopted the following resolution:

RESOLVED, that the Audit Committee of the USAC Board of Directors, approves the recommended changes to the Audit and Assurance Division Charter.

At 11:36 a.m. Eastern Time, the Committee continued in Executive Session with only members of the Board and Ms. Delmar present.

- i3. **Audit Committee *Executive Session* with USAC's Vice President of Audit and Assurance.** Per the guidelines in the approved Audit Committee Charter, Ms. Delmar met with members of Audit Committee and Board of Directors in a confidential *Executive Session*.

OPEN SESSION

At 11:48 a.m. Eastern Time, the Committee moved out of ***Executive Session*** and immediately reconvened in ***Open Session***, at which time Mr. Feiss reported that, in ***Executive Session***, the Committee took action on items a2 – a4 and discussed items i2 - i3.

On a motion duly made and seconded, the Committee adjourned at 11:48 a.m. Eastern Time.

/s/ Erin Williams
Assistant Secretary