

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

**Monday, January 29, 2024  
2:15 p.m. – 3:35 p.m. Eastern Time  
USAC Offices  
700 12th Street, N.W., Suite 900  
Washington, D.C. 20005**

<b>OPEN SESSION</b>		<i>Estimated Duration in Minutes</i>
Chair	<b>a1.</b> Consent Items (each item is available for discussion upon request): <b>A.</b> Approval of Audit Committee Meeting Minutes of October 30, 2023 <b>B.</b> Approval of moving all <i>Executive Session</i> items into <i>Executive Session</i>	5
Chair	<b>a2.</b> Recommendation for Election of Committee Chair and Vice Chair	5
Chair	<b>a3.</b> Review of the 2024 Audit Committee Charter	5
Teleshia	<b>i1.</b> Audit and Assurance Business Update <ul style="list-style-type: none"> <li>• 2023 Year in Review</li> <li>• Fiscal Year 2023 Operational Scorecard</li> <li>• Audit Aging Analysis</li> <li>• 2024 Audit Objectives</li> <li>• Roadmap</li> </ul>	30

	<b>EXECUTIVE SESSION Confidential – Executive Session Recommended</b>	<i>Estimated Duration in Minutes</i>
Teleshia	<b>a4.</b> Action on One USAC Audit and Assurance Division Strategic Audit Report	15
Teleshia	<b>a5.</b> Approval of the 2024 Strategic Audit Plan	10
Teleshia	<b>i2.</b> Audit Committee Executive Session with USAC’s Vice President of Audit and Assurance	10

**Next Scheduled USAC Audit Committee Meeting**

**Monday, April 29, 2024  
USAC Offices, Washington, D.C.**

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

**AUDIT COMMITTEE MEETING**  
**Monday, January 29, 2024**

**MINUTES<sup>1</sup>**

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 29, 2024. Ms. Stephanie Polk, Committee Vice Chair, called the meeting to order at 2:18 p.m. Eastern Time, with a quorum of all three Committee members present (there are two vacancies):

Fontana, Brent – *by telephone*  
Polk, Stephanie – Vice Chair – *by telephone*  
Schell, Julie Tritt – *by telephone*

Other Board members and officers of the corporation present:

Beyerhelm, Chris – Vice President and Chief Administrative Officer  
Butler, Stephen – Vice President of Shared Services  
Chacko, Sheba – Member of the Board  
Chalk, Indra – Member of the Board  
Davis, Craig – Vice President of Schools and Libraries  
Delmar, Teleshia – Vice President of Audit and Assurance  
Freeman, Sarah – Member of the Board  
Gaither, Victor – Vice President of High Cost  
Garber, Michelle – Vice President of Finance, Chief Financial Officer, and  
Assistant Treasurer  
Gregory, Amber – Member of the Board  
Mason, Ken – Member of the Board  
O'Brien, Tim – Vice President of Lifeline  
Sekar, Radha – Chief Executive Officer  
Semmler, Kara – Member of the Board  
Skrivan, Michael – Member of the Board  
Sweeney, Mark – Vice President of Rural Health Care  
Wein, Olivia – Member of the Board  
Wibberly, Dr. Kathy – Member of the Board  
Williams, Erin – Vice President, General Counsel, and Assistant Secretary

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<sup>1</sup> 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>
Braxton-Johnson, Kianna	USAC
Claxton, Naomi	USAC
Corra, Kristen	SHLB
Goode, Vernell	USAC
Joiner, Chelsea	USAC
Kahan, Allison	USAC
King, Ryan	USAC
Kriete, Debra	Debra M. Kriete, Esq.
Lougheed, Matthew	USAC
Morgan, Meredith	USAC
Nuzzo, Patsy	USAC
Oliver, Lindsay – <i>by telephone</i>	USAC
Robinson, Crystal	USAC
Santana-Gonzalez, Jeanette	USAC
Schrader, Theresa – <i>by telephone</i>	Broadband Legal Strategies
Smith, Christopher	USAC
Sutherland, Beverly – <i>by telephone</i>	Ed Technology Funds, Inc.
Ward, Rashonda	USAC
Wilkins, Jonathan	USAC

## OPEN SESSION

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

**a1. Consent Items.** Ms. Polk presented this item to the Committee.

**A.** Committee meeting minutes of October 30, 2023.

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

- (1) **a4** – Action on one USAC Audit and Assurance Division Strategic Audit Report. USAC management recommends 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.
- (2) **a5** – Approval of the 2024 Strategic Audit Plan. USAC management recommends 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) **i2** – Audit Committee *Executive Session* with USAC’s Vice President of Audit and Assurance. USAC management recommends 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 30, 2023; (2) discussion in *Executive Session* of the items noted above.

- a2. Recommendation for Election of Committee Chair and Vice Chair.** Ms. Polk introduced Commissioner Freeman. As the Chair of the Nominating Committee, Commissioner 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 **Julie Tritt Schell** as Chair and **Stephanie Polk** 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 2024 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:
- 2023 Year in Review
  - Fiscal Year 2023 Operational Scorecard
  - Audit Aging Analysis
  - 2024 Audit Objectives
  - Roadmap

At 3:07 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**

**a4. 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 the Lifeline User Experience accepts the recommendation of USAC management and hereby deems the report final.

**a5. Approval of the 2024 Strategic Audit Plan.** 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 approves the 2024 Strategic Audit Plan.

At 3:43 p.m. Eastern Time, on a motion duly made and seconded, the Committee continued in Executive Session with only non-staff members of the Board and Ms. Delmar present.

**i2. 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 the Audit Committee and Board of Directors in a confidential *Executive Session*.

## **OPEN SESSION**

At 4:14 p.m. Eastern Time, the Committee moved out of *Executive Session* and immediately reconvened in *Open Session*, at which time Ms. Polk 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 4:14 p.m. Eastern Time.

/s/ Erin Williams  
Assistant Secretary

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

**Monday, April 29, 2024  
2:05 p.m. –3:35 p.m. Eastern Time  
USAC Offices  
700 12th Street, N.W., Suite 900  
Washington, D.C. 20005**

<b>OPEN SESSION</b>		<i>Estimated Duration in Minutes</i>
Chair	<b>a1.</b> Consent Items (each item is available for discussion upon request): <ul style="list-style-type: none"> <li><b>A.</b> Approval of Audit Committee Meeting Minutes of January 29, 2024</li> <li><b>B.</b> Approval of moving all <i>Executive Session</i> items into <i>Executive Session</i></li> <li><b>C.</b> Review of USAC’s Processes to Assess Compliance with Applicable Laws and Regulations</li> </ul>	5
Teleshia	<b>i1.</b> Audit and Assurance Business Update <ul style="list-style-type: none"> <li>• Q1 2024 Accomplishments and Plans for Q2 2024</li> <li>• Audit Aging Analysis</li> <li>• Post Audit and Assessment Survey Results</li> <li>• Roadmap</li> </ul>	40

<b>EXECUTIVE SESSION</b> <b>Confidential – Executive Session Recommended</b>		<i>Estimated Duration in Minutes</i>
Teleshia Kyle	<b>i2.</b> Audit and Assurance Division Business Update ( <i>Continued</i> )	20
Teleshia	<b>a2.</b> Action on Two USAC Audit and Assurance Division Strategic Audit Reports	10
Chair	<b>i3.</b> Audit Committee Executive Session with USAC’s Vice President of Audit and Assurance	15

**Next Scheduled USAC Audit Committee Meeting**

**Monday, July 29, 2024  
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 29, 2024**

**MINUTES<sup>1</sup>**

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 29, 2024. Ms. Julie Tritt Schell, Committee Chair, called the meeting to order at 2:05 p.m. Eastern Time, with a quorum of four of the five Committee members present:

Gregory, Amber  
Fontana, Brent  
Polk, Stephanie – Vice Chair – *by telephone*  
Schell, Julie Tritt – Chair

Members of the Committee not present:

Chacko, Sheba

Other Board members and officers of the corporation present:

Buzacott, Alan – Member of the Board  
Beyerhelm, Chris – Vice President and Chief Administrative Officer – *by telephone*  
Butler, Stephen – Vice President of Shared Services  
Chalk, Indra – Member of the Board  
Davis, Craig – Vice President of Schools and Libraries  
Delmar, Teleshia – Vice President of Audit and Assurance  
Freeman, Sarah – Member of the Board  
Gaither, Victor – Vice President of High Cost  
Garber, Michelle – Vice President of Finance, Chief Financial Officer, and  
Assistant Treasurer  
Mason, Ken – Member of the Board  
O'Brien, Tim – Vice President of Lifeline  
Sekar, Radha – Chief Executive Officer  
Skrivan, Michael – Member of the Board  
Sweeney, Mark – Vice President of Rural Health Care  
Thompson, Mona – *by telephone*  
Wein, Olivia – Member of the Board  
Wibberly, Dr. Kathy – Member of the Board  
Williams, Erin – Vice President, General Counsel, and Assistant Secretary

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<sup>1</sup> 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>
Ayer, Catriona – <i>by telephone</i>	USAC
Boakye-Gyan, Carol	USAC
Brady, Jair	USAC
Campbell, Jo-Ann	USAC
Claxton, Naomi	USAC
Estrella, Giulianna – <i>by telephone</i>	USAC.
Goode, Vernell	USAC
Green, Kevin	USAC
Hung, Jennifer	USAC
King, Ryan	USAC
Krueger, Katie	KPMG
Lawmaster-Morris, Rachel – <i>by telephone</i>	Espy Services
Mitchell, Katherine – <i>by telephone</i>	USAC
Morgan, Meredith	USAC
Nuzzo, Patsy	USAC
Sadirkhanova, Sabina	USAC
Santana-Gonzalez, Jeanette	USAC
Schrader, Theresa – <i>by telephone</i>	Broadband Legal Strategies
Smith, Christopher	USAC
Steptoe, Carolyn	USAC
Sutherland, Beverly – <i>by telephone</i>	Sutherland Consulting Group, Inc.
Truong, Linh	USAC
Ward, Rashonda	USAC
Williams, Jameka	Merit Network

## OPEN SESSION

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

**a1. Consent Items.** Ms. Polk presented this item to the Committee.

**A.** Committee meeting minutes of January 29, 2024.

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

- (1) **i2.** Audit and Assurance Division Business Update (*Continued*).  
USAC management recommends that this item be discussed in **Executive Session** because it may involve discussion of **specific internal controls or confidential company data or 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.



- (2) **a2.** Action on Two USAC Audit and Assurance Division Strategic Audit Reports. USAC management recommends 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) **i3.** Audit Committee *Executive Session* with USAC's Vice President of Audit and Assurance. USAC management recommends 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 (see Attachment C).**

In accordance with Section III.G of the Committee's Charter, the Committee, in consultation with USAC's General Counsel and Vice President of Audit and Assurance, is required to review the processes established to assure compliance by USAC with all applicable laws. Attachment C documents the assessment and briefly discusses the controls in place to assure compliance. Compliance processes for administration of the Universal Service Fund and the Universal Service Support Mechanisms by each programmatic division and USAC's financial operations are based on Section 254 of the Communications Act of 1934, as amended, Part 54 of the Commission's rules, Commission orders, and FCC staff directives. Additionally, through the combined efforts of USAC's Office of General Counsel, Audit and Assurance Division, and Human Resources division, ongoing compliance with laws and regulations is monitored and assessed.

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 29, 2024; and (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:
- Q1 2024 Accomplishments and Plans for Q2 2024
  - Audit Aging Analysis
  - Post Audit and Assessment Survey Results
  - Audit Aging Analysis
  - Roadmap

At 2:49 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 Division Business Update** (*Continued*). Ms. Delmar and Mr. Hutchinson presented PowerPoint slides that provided the Committee with updates on the High Cost Modernization Audits, and the Enterprise Audit and Compliance System Modernization.
- 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 Information Security Vendor Management Practices and the User Experience of High Cost, E-Rate, and Rural Health Care programs, accepts the recommendation of USAC management and hereby deems the reports final.

At 3:25 p.m. Eastern Time, on a motion duly made and seconded, the Committee continued in Executive Session with only non-staff 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 the Audit Committee and Board of Directors in a confidential *Executive Session*.

## **OPEN SESSION**

At 3:51 p.m. Eastern Time, the Committee moved out of *Executive Session* and immediately reconvened in *Open Session*, at which time Ms. Schell reported that, in *Executive Session*, the Committee acted on item a2 and discussed items i2 and i3.

On a motion duly made and seconded, the Committee adjourned at 3:51 p.m. Eastern Time.

/s/ Erin Williams  
Assistant Secretary

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

**Monday, July 29, 2024**  
**1:00 p.m. – 2:55 p.m. Eastern Time**  
**USAC Offices**  
**700 12th Street, N.W., Suite 900**  
**Washington, D.C. 20005**

<b>OPEN SESSION</b>		<i>Estimated Duration in Minutes</i>
Chair	<b>a1.</b> Consent Items (each item is available for discussion upon request): <ul style="list-style-type: none"> <li><b>A.</b> Approval of Audit Committee Meeting Minutes of April 29, 2024</li> <li><b>B.</b> Approval of moving all <i>Executive Session</i> items into <i>Executive Session</i></li> <li><b>C.</b> Annual Review of USAC’s System of Internal Controls (See AC03cf)</li> <li><b>D.</b> Annual Review of USAC’s Financial Reporting Process (See aAC04cf)</li> </ul>	5
Teleshia	<b>i1.</b> Audit and Assurance Division Business Update <ul style="list-style-type: none"> <li>• Q2 2024 Accomplishments and Plans for Q3 2024</li> <li>• Audit Assessments in Progress</li> <li>• Summary of Updates to Audit Standards</li> <li>• Roadmap</li> <li>• Appendix A: Glossary of Terms</li> </ul>	40

<b>EXECUTIVE SESSION</b> <b>Confidential – Executive Session Recommended</b>		<i>Estimated Duration in Minutes</i>
Teleshia	<b>i2.</b> Audit and Assurance Division Business Update ( <i>Continued</i> ) <ul style="list-style-type: none"> <li>• Fiscal Year 2023 Improper Payment Audit Results</li> </ul>	10
Teleshia	<b>a2.</b> Action on Two USAC Audit and Assurance Division Strategic Audit Reports	10
Teleshia	<b>a3.</b> Annual Review of USAC’s System of Internal Controls	—
Teleshia	<b>a4.</b> Annual Review of USAC’s Financial Reporting Process	—
Michelle Tom Leonard Andrew Weidinger	<b>a5.</b> Acceptance of USAC’s Restated 2022 Financial Statements and the 2023 Annual Financial Statement Audit and Agreed-Upon Procedures Review ( <i>Same as iBOD05cf</i> )	20
PwC	<b>i3.</b> Audit Committee Executive Session with USAC’s Independent	15

Available For Public Use

	Audit Firm	
Chair	<b>i4.</b> Audit Committee Executive Session with USAC's Vice President of Audit and Assurance	15

**Next Scheduled USAC Audit Committee Meeting**

<p><b>Monday, October 28, 2024</b>  <b>USAC Offices, Washington, D.C.</b></p>
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**UNIVERSAL SERVICE ADMINISTRATIVE COMPANY**  
**700 12th Street, N.W., Suite 900**  
**Washington, D.C. 20005**

**AUDIT COMMITTEE MEETING**  
**Monday, July 29, 2024**

**MINUTES<sup>1</sup>**

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 29, 2024. Ms. Julie Tritt Schell, Committee Chair, called the meeting to order at 1:02 p.m. Eastern Time, with a quorum of all five Committee members present:

Chacko, Sheba  
Gregory, Amber – *by telephone*  
Fontana, Brent  
Polk, Stephanie – Vice Chair – *by telephone*  
Schell, Julie Tritt – Chair

Other Board members and officers of the corporation present:

Buzacott, Alan – Member of the Board  
Beyerhelm, Chris – Vice President and Chief Administrative Officer – *by telephone*  
Butler, Stephen – Vice President of Shared Services  
Chalk, Indra – Member of the Board  
Davis, Craig – Vice President of Schools and Libraries  
Delmar, Teleshia – Vice President of Audit and Assurance  
Freeman, Sarah – Member of the Board  
Gaither, Victor – Vice President of High Cost  
Garber, Michelle – Vice President of Finance, Chief Financial Officer, and  
Assistant Treasurer  
Hutchinson, Kyle – Vice President and Chief Information Officer  
Mason, Ken – Member of the Board  
O'Brien, Tim – Vice President of Lifeline  
Sekar, Radha – Chief Executive Officer  
Semmler, Kara – Member of the Board  
Skrivan, Michael – Member of the Board  
Sweeney, Mark – Vice President of Rural Health Care  
Thompson, Mona – Member of the Board  
Wade, Joan – Member of the Board  
Wein, Olivia – Member of the Board  
Wibberly, Dr. Kathy – Member of the Board  
Williams, Erin – Vice President, General Counsel, and Assistant Secretary

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<sup>1</sup> 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>
Bailey, Macey	USAC
Boakye-Gyan, Carol	USAC
Braxton-Johnson, Kianna	USAC
Burgess, Melody – <i>by telephone</i>	USAC
Claxton, Naomi	USAC
Estrella, Giulianna – <i>by telephone</i>	USAC.
Francisco, Dale	USAC
Goode, Vernell	USAC
King, Ryan	USAC
Kriete, Debra	South Dakota Department of Education
Kurisch, Bill	USAC
Leonard, Tom	PwC
Morgan, Meredith	USAC
Morning, Kimberly – <i>by telephone</i>	Morgan Lewis
Nuzzo, Patsy	USAC
Robinson, Crystal	USAC
Rodwich, Denise – <i>by telephone</i>	Espy Services
Sadirkhanova, Sabina	USAC
Santana-Gonzalez, Jeanette	USAC
Schrader, Theresa – <i>by telephone</i>	Broadband Legal Strategies
Truong, Linh	USAC
Weidinger, Andrew	PwC

### OPEN SESSION

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

**a1. Consent Items.** Ms. Polk presented this item to the Committee.

**A.** Committee meeting minutes of April 29, 2024.

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

- 1) **i2.** Audit and Assurance Division Business Update. USAC management recommends that this item be discussed in *Executive Session* because it may involve discussion of *specific internal controls or confidential company data* or *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 and *relates to pre-decisional matters pending before the FCC*.

- 2) **a2.** Action on Two USAC Audit and Assurance Division Strategic Audit Reports. USAC management recommends 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) **a3.** Annual Review of USAC's System of Internal Controls. USAC management recommends that this matter be discussed in *Executive Session* because it relates to *specific internal controls or confidential company data* that would result in *disclosure of confidential techniques and procedures* that would compromise program integrity.
- 4) **a4.** Annual Review of USAC's Financial Reporting Process. USAC management recommends 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 Restated 2022 Financial Statements and the 2023 Annual Financial Statement Audit and Agreed-Upon Procedures Review (*Same as iBOD05cf*). USAC management recommends 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 recommends 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 recommends 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 (*See aAC03cf*; if discussion is needed, it will be conducted in *Executive Session*).

**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 (*See aAC04cf*; if discussion is needed, it will be conducted in *Executive Session*).

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 29, 2024; (2) discussion in *Executive Session* of the items noted above; (3) the annual review of USAC's system of internal controls; and (4) the annual 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 2024 Accomplishments and Q3 2024 Plans
  - Audit Assessments in Progress
  - Summary of Updates to Audit Standards
  - Roadmap
  - Appendix: Glossary of Terms

At 1:47 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 Division Business Update (Continued).** Ms. Delmar discussed the Fiscal Year 2023 Improper Payment Results with the Committee.
- a2. Action on Two USAC Audit and Assurance Division Strategic Audit Reports.** Ms. Delmar presented the results of the USAC's Supply Chain Compliance and the follow-up audits of E-Rate and Rural Health Care program 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 Supply Chain Compliance and the follow-up audits of E-Rate and Rural Health Care programs, accepts the recommendation of USAC management and hereby deems the reports final.

- a3. Annual Review of USAC's System of Internal Controls.** This item was approved in the consent items, no additional discussion was conducted.

**RESOLVED**, that the USAC Audit Committee accepts the review of USAC's system of internal controls.

- a4. Annual Review of USAC's Financial Reporting Process.** This item was approved in the consent items and no discussion was conducted.

**RESOLVED**, that the USAC Audit Committee accepts the review of USAC's financial reporting process.



**a5. Acceptance of USAC's Restated 2022 Financial Statements and the 2023 Annual Financial Statement Audit and Agreed-Upon Procedures Review.**

Ms. Garber introduced Mr. Tom Leonard and Mr. Andrew Weidinger of PricewaterhouseCoopers LLP who presented this item to the Committee. After discussion, it was determined that the financial statement letter would need to be altered. The Committee agreed to approve the resolution as written and receive a final copy of the letter as a matter of record. The Committee recognized and agreed that the final letter would be amended, as discussed.

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 Report to the Audit Committee, as submitted by PricewaterhouseCoopers LLP, hereby accepts the Report to the Audit Committee, including the restated 2022 Financial Statements and the 2023 Financial Statement Audit and Agreed-Upon Procedures Review reports and hereby directs PricewaterhouseCoopers LLP to issue the final signed reports to USAC.

At 2:30 p.m. Eastern Time the meeting continued in Executive Session with USAC's independent auditor and non-staff Board members present.

**i3. Audit Committee Executive Session with USAC's Independent Audit Firm.**

Ms. Schell facilitated discussion with Committee and the auditors.

At 2:38 p.m. Eastern Time, on a motion duly made and seconded, the Committee continued in Executive Session with only non-staff 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 the Audit Committee and Board of Directors in a confidential *Executive Session*.

**OPEN SESSION**

At 3:02 p.m. Eastern Time, the Committee moved out of *Executive Session* and immediately reconvened in *Open Session*, at which time Ms. Schell reported that, in *Executive Session*, the Committee acted on item a2 and a5 and discussed items i2, i3, and i4.

On a motion duly made and seconded, the Committee adjourned at 3:02 p.m. Eastern Time.

/s/ Erin Williams  
Assistant Secretary

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

**Monday, October 28, 2024  
4:00 p.m. – 5:15 p.m. Eastern Time  
USAC Offices  
700 12th Street, N.W., Suite 900  
Washington, D.C. 20005**

<b>OPEN SESSION</b>		<i>Estimated Duration in Minutes</i>
Chair	<b>a1.</b> Consent Items (each item is available for discussion upon request): <b>A.</b> Approval of Audit Committee Meeting Minutes of July 29, 2024 <b>B.</b> Approval of moving all <i>Executive Session</i> items into <i>Executive Session</i> <b>C.</b> Annual Assessment of the Independence and Financial Literacy of USAC Audit Committee Members <b>D.</b> Review of the Audit and Assurance Division Charter ( <i>See aAC03cf</i> )	5
Teleshia	<b>i1.</b> Audit and Assurance Division Business Update <ul style="list-style-type: none"> <li>Q3 2024 Accomplishments and Plans for Q4 2024</li> <li>Audit and Assessments in Progress</li> <li>Roadmap</li> <li>Appendix A: Glossary of Terms</li> </ul>	25

<b>EXECUTIVE SESSION</b> <b>Confidential – Executive Session Recommended</b>		<i>Estimated Duration in Minutes</i>
Teleshia	<b>i2.</b> Audit and Assurance Division Business Update ( <i>Continued</i> ) <ul style="list-style-type: none"> <li>Improper Payment Results</li> </ul>	20
Teleshia	<b>a2.</b> Action on One USAC Audit and Assurance Division Strategic Audit Report	10
Teleshia	<b>a3.</b> Review of the Audit and Assurance Division Charter	–
Chair	<b>i3.</b> Audit Committee Executive Session with USAC’s Vice President of Audit and Assurance	15

**Next Scheduled USAC Audit Committee Meeting**

**Monday, January 27, 2025  
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 28, 2024**

**MINUTES<sup>1</sup>**

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 28, 2024. Ms. Julie Tritt Schell, Committee Chair, called the meeting to order at 4:00 p.m. Eastern Time, with a quorum of all five Committee members present:

Chacko, Sheba – *by telephone*  
Gregory, Amber  
Fontana, Brent – *by telephone*  
Polk, Stephanie – Vice Chair – *by telephone*  
Schell, Julie Tritt – Chair

Other Board members and officers of the corporation present:

Beyerhelm, Chris – Vice President and Chief Administrative Officer – *by telephone*  
Chalk, Indra – Member of the Board  
Delmar, Teleshia – Vice President of Audit and Assurance  
Gaither, Victor – Vice President of High Cost  
Garber, Michelle – Vice President of Finance, Chief Financial Officer, and  
Assistant Treasurer  
Mason, Ken – Member of the Board  
O'Brien, Tim – Vice President of Lifeline  
Sekar, Radha – Chief Executive Officer  
Skrivan, Michael – Member of the Board  
Thompson, Mona – Member of the Board  
Wade, Joan – Member of the Board – *by telephone*  
Waller, Jeff – Member of the Board  
Wein, Olivia – Member of the Board  
Wibberly, Dr. Kathy – Member of the Board  
Williams, Erin – Vice President, General Counsel, and Assistant Secretary

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<sup>1</sup> 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>
Boakye-Gyan, Carol	USAC
Braxton-Johnson, Kianna	USAC
Claxton, Naomi	USAC
Goode, Vernell	USAC
King, Ryan	USAC
Morgan, Meredith	USAC
Nuzzo, Patsy	USAC
Robinson, Crystal	USAC
Santana-Gonzalez, Jeanette	USAC
Schrader, Theresa – <i>by telephone</i>	Broadband Legal Strategies
Smith, Chris	USAC
Staurulakis, Chresanthe	USAC
Truong, Linh	USAC
Ward, Rashanda	USAC

### OPEN SESSION

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

**a1. Consent Items.** Ms. Schell presented this item to the Committee.

**A.** Committee meeting minutes of July 29, 2024.

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

- 1) **i2.** Audit and Assurance Division Business Update (*Continued*).  
USAC management recommends that this item be discussed in **Executive Session** because it may involve discussion of **specific internal controls or confidential company data** or **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 and **relates to pre-decisional matters pending before the FCC**.
- 2) **a2.** Action on One USAC Audit and Assurance Division Strategic Audit Report. USAC management recommends 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) **a3.** Annual Review of the Audit and Assurance Division Charter.  
USAC management recommends that this matter be discussed in

*Executive Session* because discussion of the charter would relate *to specific internal controls and/or confidential company data* that could 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 recommends that this matter be discussed in *Executive Session* pursuant to the guidelines in the approved Audit Committee Charter.

**C. Annual Assessment of the Independence and Financial Literacy of USAC Audit Committee Members.** In accordance with Section II.A.1 of the Committee's Charter, the Committee members are required to meet established independence requirements (*See Attachment C*).

**D. Review of the Audit and Assurance Division Charter.** In accordance with Section III.E.1 of the Committee's Charter, the Committee, is required to review and approve the Audit and Assurance Division Charter (*See aAC03cf*; if discussion is needed, it will be conducted in *Executive Session*).

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 29, 2024; (2) discussion in *Executive Session* of the items noted above; (3) the annual assessment of the independence and financial literacy of the USAC Audit Committee Members; and (4) the Audit and Assurance Division Charter.

- i1. Audit and Assurance Business Update.** Ms. Delmar presented PowerPoint slides to the Committee for discussion covering the following topics:
- Q3 2024 Accomplishments and Plans for Q4 2024
  - Audit and Assessments in Progress
  - Roadmap
  - Appendix A: Glossary of Terms

At 4:27 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 Division Business Update (*Continued*).** Ms. Delmar discussed the FY2024 Improper Payment Results with the Committee.

- a2. Action on One USAC Audit and Assurance Division Strategic Audit Report.** Ms. Delmar presented the results of the USAC Audit and Assurance Division (AAD) strategic audit report of the E-Rate Program Invoicing Process.

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 the E-Rate Program Invoicing Process, accepts the recommendation of USAC management and hereby deems the report final.

- a3. Review of the Audit and Assurance Division Charter.** This item was approved in the consent items, no additional discussion was conducted.

**RESOLVED**, 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.

At 4:46 p.m. Eastern Time, on a motion duly made and seconded, the Committee continued in Executive Session with only non-staff 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 the Audit Committee and Board of Directors in a confidential *Executive Session*.

### **OPEN SESSION**

At 5:33 p.m. Eastern Time, the Committee moved out of *Executive Session* and immediately reconvened in *Open Session*, at which time Ms. Schell reported that, in *Executive Session*, the Committee acted on item a2, and discussed items i2, i3.

On a motion duly made and seconded, the Committee adjourned at 5:33 p.m. Eastern Time.

/s/ Erin Williams  
Assistant Secretary