

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

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| <p>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</p> |
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| OPEN SESSION | | <i>Estimated Duration in Minutes</i> |
|---------------------|---|--|
| Chair | <p>a1. Consent Items (each item is available for discussion upon request):</p> <p style="padding-left: 20px;">A. Approval of Audit Committee Meeting Minutes of October 30, 2023</p> <p style="padding-left: 20px;">B. Approval of moving all <i>Executive Session</i> items into <i>Executive Session</i></p> | 5 |
| Chair | a2. Recommendation for Election of Committee Chair and Vice Chair | 5 |
| Chair | a3. Review of the 2024 Audit Committee Charter | 5 |
| Teleshia | <p>i1. Audit and Assurance Business Update</p> <ul style="list-style-type: none"> • 2023 Year in Review • Fiscal Year 2023 Operational Scorecard • Audit Aging Analysis • 2024 Audit Objectives • Roadmap | 30 |

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

Next Scheduled USAC Audit Committee Meeting

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| <p>Monday, April 29, 2024 USAC Offices, Washington, D.C.</p> |
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UNIVERSAL SERVICE ADMINISTRATIVE COMPANY
700 12th Street, N.W., Suite 900
Washington, D.C. 20005

AUDIT COMMITTEE MEETING
Monday, January 29, 2024

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 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

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> |
|---|----------------------------|
| 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