

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

**Monday, January 27, 2025
2:50 p.m. – 5:00 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 28, 2024 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 2025 Audit Committee Charter	10
Teleshia	i1. Audit and Assurance Division Business Update <ul style="list-style-type: none"> • Fiscal Year 2024 Operational Scorecard • 2024 Year in Review • 2025 Plans • 2025 Audit Objectives • Roadmap • Appendices 	40
Teleshia	i2. Post Audit/Assessment Survey Results	15

EXECUTIVE SESSION Confidential – Executive Session Recommended		<i>Estimated Duration in Minutes</i>
Teleshia	a4. Action on Two USAC Audit and Assurance Division Strategic Audit Reports	15
Teleshia	a5. Approval of the 2025 Strategic Audit Plan	15
Chair	i3. Audit Committee <i>Executive Session</i> with USAC’s Vice President of Audit and Assurance	15

Next Scheduled USAC Audit Committee Meeting

**Monday, April 28, 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, January 27, 2025

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 27, 2025. Ms. Julie Tritt Schell, Committee Chair, called the meeting to order at 2:51 p.m. Eastern Time, with a quorum of four of the five Committee members present (there was one vacancy):

Chacko, Sheba
Gregory, Amber
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*
Butler, Steve – Vice President of Shared Services
Chalk, Indra – Member of the Board
Dalhover, Brian – Member of the Board
Davis, Criag – 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
Green, Anisa – Member of the Board
Kettwich, Dan – 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 – *by telephone*
Sweeney, Mark – Vice President of Rural Health Care
Thompson, Mona – Member of the Board
Wade, Joan – Member of the Board
Waller, Jeff – Member of the Board – *by telephone*
Wein, Olivia – 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.

Wibberly, Dr. Kathy – Member of the Board

Williams, Erin – Vice President, General Counsel, and Assistant Secretary

Others present:

<u>NAME</u>	<u>COMPANY</u>
Bello, Fatoumata Bah – <i>by telephone</i>	USAC
Braxton-Johnson, Kianna	USAC
Cardile, Christina – <i>by telephone</i>	USAC
Claxton, Naomi	USAC
Estrella, Giulianna	USAC
Faunce, Donna – <i>by telephone</i>	USAC
Goode, Vernell	USAC
Green, Kevin	USAC
King, Ryan	USAC
Kriete, Debra – <i>by telephone</i>	South Dakota Department of Education
Little, Chris	USAC
Lloyd, Pamela	USAC
Morgan, Meredith	USAC
Nuzzo, Patsy	USAC
Robinson, Crystal	USAC
Sadirkhanova, Sabina – <i>by telephone</i>	USAC
Santana-Gonzalez, Jeanette	USAC
Schrader, Theresa – <i>by telephone</i>	Broadband Legal Strategies
Smith, Chris	USAC
Stanikzai, Taj	USAC
Staurulakis, Chresanthe	USAC
Truong, Linh	USAC
Ward, Rashonda	USAC
White, Stacy	USAC
Wilkins, Jonathan	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. Approval of the Audit Committee meeting minutes of October 28, 2024.

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

- (1) **a4.** 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.

- (2) **a5.** Approval of the 2025 Strategic Audit Plan. USAC management recommends that this matter be discussed in *Executive Session* because discussion of the plan would relate to *specific internal controls and/or confidential company data* that could 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.

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 28, 2024; and (2) discussion in *Executive Session* of the items noted above.

- a2. Recommendation for Election of Committee Chair and Vice Chair.** Mr. Mason introduced this item to the Board requesting that Ms. Freeman, Chair of the Nominating Committee, report on the Nominating Committee's recommendations for the election of the Audit Committee Chair and Vice Chair.

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 **Ken Mason** 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 2025 Audit Committee Charter.** Ms. Delmar presented this item to the Committee, noting the suggested changes to the Charter that included but were not limited to the following:
- This charter is guided by the governance provisions in the Generally Accepted Government Auditing Standards and the Global Internal Audit Standards.
 - Work with the head of the organization to ensure the chief audit executive reports to a level within the organization (i.e., the Chief Executive Officer)

that allows the internal audit function to fulfill the internal audit mandate and is provided with sufficient resources to achieve the audit plans.

- The Chair or the Vice Chair shall have a background in financial reporting, accounting, or auditing, or other financial expertise.

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.

i1. Audit and Assurance Business Update. Ms. Delmar presented PowerPoint slides to the Committee for discussion covering the following topics:

- Fiscal Year 2024 Operational Scorecard
- 2024 Year in Review
- 2025 Plans
- 2025 Audit Objectives
- Roadmap
- Appendices: Audits in Progress and Aging Reports

i2. Post Audit/Assessment Survey Results. Ms. Delmar presented PowerPoint slides to the Committee and reviewed and discussed the survey results.

At 4:14 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 Two USAC Audit and Assurance Division Strategic Audit Reports. Ms. Delmar presented the results of Two USAC Audit and Assurance Division Strategic Audit reports.

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 Check Payment Process and the Lifeline Recovery Process, accepts the recommendation of USAC management and hereby deems the reports final.

a5. Approval of the 2025 Strategic Audit Plan. Ms. Delmar presented PowerPoint slides to the Committee and reviewed the objectives, approach, audit plan, and the audit selections for the 2025 Strategic Audit Plan.

RESOLVED, that the USAC Audit Committee approves the 2025 Strategic Audit Plan.

At 4:51 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 5:26 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 items a4, a5, and discussed item i3.

On a motion duly made and seconded, the Committee adjourned at 5:26 p.m. Eastern Time.

/s/ Erin Williams
Assistant Secretary