

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

**Monday, January 26, 2026
3:20 p.m. –5:30 p.m. Eastern Time
VIRTUAL MEETING
USAC Offices
700 12th Street, N.W., Suite 900
Washington, D.C. 2000**

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 27, 2025 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 2026 Audit Committee Charter (<i>Same as aBOD01D</i>)	10
Teleshia	i1. Audit and Assurance Division Business Update <ul style="list-style-type: none"> • 2025 Operational Scorecard • 2025 Year in Review • Q1 2026 Plans • Roadmap • Appendices: <ul style="list-style-type: none"> A: BCAP Audits in Process B: BCAP Audits Aging Report C: SCAP Audits in Process D: PQA Assessments in Process E: Glossary of Terms 	40

EXECUTIVE SESSION Confidential – <i>Executive Session Recommended</i>		<i>Estimated Duration in Minutes</i>
Teleshia	a4. Approval of the USAC Audit and Assurance Division Strategic Plan and Key Performance Objectives	30
Teleshia	a5. Action on Two USAC Audit and Assurance Division Internal Audit Reports	10
Teleshia	a6. Approval of 2026 Internal Audit Plan	15

EXECUTIVE SESSION Confidential – <i>Executive Session Recommended</i>		<i>Estimated Duration in Minutes</i>
Chair	i2. Audit Committee <i>Executive Session</i> with USAC’s Vice President of Audit and Assurance	15

Next Scheduled USAC Audit Committee Meeting

Monday, April 27, 2026 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, January 26, 2026

MINUTES¹

Due to inclement weather the USAC office was closed Monday, January 26, 2026. The quarterly meeting of the Audit Committee (Committee) of the USAC Board of Directors (Board) was conducted virtually. The USAC website was updated to allow the public to join the Open Session portion of the meeting virtually. Ms. Julie Tritt Schell, Committee Chair, called the meeting to order at 3:26 p.m. Eastern Time, with a quorum of three of the five Committee members present (there was one vacancy).

Kettwich, Dan
Mason, Ken – Vice Chair
Schell, Julie Tritt – Chair

Member of the Committee not present:

Gregory, Amber

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
Dalhover, Brian – Member of the Board
Davis, Criag – Vice President of Schools and Libraries
Delmar, Teleshia – Vice President of Audit and Assurance
Francisco, Dale – Chief Financial Officer (Interim)
Gaither, Victor – Vice President of High Cost
Garber, Michelle – Chief Executive Officer (Interim), and Assistant Treasurer
Green, Anisa – Member of the Board
Hutchinson, Kyle – Vice President and Chief Information Office
Minard, Alex – Member of the Board
Minnock, Stephanie – Member of the Board
O'Brien, Tim – Vice President of Lifeline
Schram, Tim – Member of the Board
Semmler, Kara – Member of the Board
Sweeney, Mark – Vice President of Rural Health Care

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.

Wade, Dr. 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

Others present:

<u>NAME</u>	<u>COMPANY</u>
Benham, Cathy	CSM Consulting, Inc.
Ayer, Catriona	USAC
Brown, Daniel	Nelson Mullins Riley & Scarborough
Claxton, Naomi	USAC
Green, Kevin	USAC
Goode, Vernell	USAC
King, Ryan	USAC
Kriete, Debra	South Dakota Department of Education
Little, Chris	USAC
Markarian, Lehan	CSM Consulting, Inc.
Mitchell, Katherine	USAC
Morgan, Meredith	USAC
Nuzzo, Patsy	USAC
Sadirkhanova, Sabina	USAC
Schrader, Theresa	Broadband Legal Strategies, LLC
Smith, Chris	USAC
Staurulakis, Chresanthe	USAC

OPEN SESSION

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

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

A. Approval of the Audit Committee meeting minutes of October 27, 2025.

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

- (1) **a4.** Approval of the USAC Audit and Assurance Division Strategic Plan and Key Performance Objectives. 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.
- (2) **a5.** Action on Two USAC Audit and Assurance Division Strategic Audit Reports. USAC management recommends that this matter be

discussed in *Executive Session* because the report relates to *specific internal controls and/or confidential company data* that would constitute a discussion of internal rules and procedures.

- (3) **a6.** Approval of 2026 Internal Audit Plan. USAC *management* recommends that this matter be discussed in *Executive Session* USAC management recommends that this matter be discussed in *Executive Session* because these reports relate to *specific internal controls, and/or confidential company data* that would constitute a discussion of internal rules and procedures.
- (4) **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 27, 2025; and (2) discussion in *Executive Session* of the items noted above.

- a2. Recommendation for Election of Committee Chair and Vice Chair.** Ms. Tritt Schell requested that Dr. Wibberly, Chair of the Nominating Committee, present 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 recommends that the USAC Board of Directors re-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 2026 Audit Committee Charter.** Ms. Delmar reported that the changes to the Charter incorporated feedback from the Peer Review Reports discussed during the October 27, 2025 Audit Committee meeting.

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 Division Business Update. Ms. Delmar presented a PowerPoint presentation including the following topics:

- 2025 Operational Results and Key Outcomes
- 2025 Year in Review
- 2026 Plans
- 2026 Audit Objectives
- Roadmap
- Appendices A-D: Status of Various Audits and Assessments
- Appendix E: Glossary of Terms

The Committee recessed at 4:00 p.m. Eastern Time and reconvened at 4:30 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. Approval of the USAC Audit and Assurance Division Strategic Plan and Key Performance Objectives. Ms. Delmar presented this item to the Committee noting that the most recent Peer Review included recommendations to develop and implement a Strategic Plan that evaluates the performance of the Audit and Assurance Division.

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

RESOLVED, that the USAC Audit Committee approves the Strategic Plan and Key Performance Objectives.

a5. Action on Two USAC Audit and Assurance Division Strategic Audit Reports. Ms. Delmar presented the Audit and Assurance Division internal audit reports for the Lifeline Vendor Quality Assurance Management Process and the combined follow-up report for the Lifeline Eligibility Process and Lifeline User Experience.

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 internal audit reports for the Lifeline Vendor Quality Assurance Management Process and the combined follow-

up report for the Lifeline Eligibility Process and Lifeline User Experience, accepts the recommendation of USAC management and hereby deems the reports final.

- a6. Approval of 2026 Internal Audit Plan.** Ms. Delamar presented this item to the Committee and discussed with 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 2026 Internal Audit Plan.

At 5:10 p.m. Eastern Time, 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 5:23 p.m. Eastern Time, the Committee moved out of *Executive Session* and immediately reconvened in *Open Session*, at which time Ms. Tritt Schell reported that, in *Executive Session*, the Committee acted on items a4-a6 and discussed item i2.

On a motion duly made and seconded, the Committee adjourned at 5:23 p.m. Eastern Time.

/s/ Erin Williams
Assistant Secretary