

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

<p>Monday, January 30, 2023 10:00 a.m. – 11:55 a.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 24, 2022</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 2023 Audit Committee Charter	5
Teleshia	<p>i1. Audit and Assurance Business Update</p> <ul style="list-style-type: none"> • 2022 Year in Review • Plans for 1Q2023 • Audit Aging Analysis • Fiscal Year 2022 Operational Scorecard • Roadmap 	40

EXECUTIVE SESSION Confidential – Executive Session Recommended		<i>Estimated Duration in Minutes</i>
Teleshia	<p>i2. Audit and Assurance Division Business Update (<i>Continued</i>)</p> <ul style="list-style-type: none"> • Post Audit/Assessment Survey Results 	40
Teleshia	a4. Review of the 2023 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

<p>Thursday, April 20, 2023 USAC Offices, Washington, D.C.</p>

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

AUDIT COMMITTEE MEETING
Monday, January 30, 2023

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 30, 2023. Mr. Geoff Feiss, Committee Chair, called the meeting to order at 10:00 a.m. Eastern Time, with a quorum of with a quorum of four of five the Committee members present (there is one vacancy):

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

Other Board members and officers of the corporation present:

Butler, Stephen – Vice President of Shared Services
Buzacott, Alan – Member of the Board
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
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
Hutchinson, Kyle – Vice President of IT and Chief Information Officer – *by telephone*
Mason, Ken – Member of the Board
Polk, Stephanie – Member of the Board – *by telephone*
Sekar, Radha – Chief Executive Officer
Skriwan, 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
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>
Benham, Cathy – <i>by telephone</i>	CSM
Case, Kevin – <i>by telephone</i>	USAC
Claxton, Naomi – <i>by telephone</i>	USAC
Edmonds, Daisy	USAC
Glisson, Connor – <i>by telephone</i>	USAC
Goode, Vernell	USAC
Havivi, Daniel – <i>by telephone</i>	USAC
Kriete, Debra – <i>by telephone</i>	South Dakota Department of Education
Morning, Kimberly – <i>by telephone</i>	Morgan Lewis
Parsons, Laura – <i>by telephone</i>	Maximus
Phillippi, Megan	USAC
Rones, Julie – <i>by telephone</i>	USAC
Sadirkhanova, Sabina – <i>by telephone</i>	USAC
Sauls, Lucas – <i>by telephone</i>	Maximus
Schrader, Theresa – <i>by telephone</i>	Broadband Legal Strategies, LLC
Schultz, Kent – <i>by telephone</i>	Deloitte
Spade, Gina – <i>by telephone</i>	Broadband Legal Strategies, LLC
Sutherland, Beverly – <i>by telephone</i>	EdTechnologyFunds, Inc.
Tiwari, Tanya – <i>by telephone</i>	Morgan Lewis
Wilson, 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 October 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) **a4** – Review of the 2023 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.
- (3) **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 24, 2022; and (2) discussion in *Executive Session* of the items noted above.

- a2. Recommendation for Election of Committee Chair and Vice Chair.** Mr. Feiss introduced Dr. Wade. As the Chair of the Nominating Committee, Dr. Wade 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 **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 2023 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:

- 2022 Year in Review
- Plans for 1Q2022
- Audit Aging Analysis
- Fiscal Year 2022 Operational Scorecard
- Roadmap

At 10:42 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:
- Post Audit/Assessment Survey Results
- a4. Review of the 2023 Strategic Audit Plan.** Ms. Delmar presented a report to the Committee on the proposed 2023 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 2023 Strategic Audit Plan.

At 11:48 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 12:07 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 item a4 and discussed items i2 and i3.

On a motion duly made and seconded, the Committee adjourned at 12:08 p.m. Eastern Time.

/s/ Erin Williams
Assistant Secretary

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

<p>Thursday, April 20, 2023 10:00 a.m. –11:30 a.m. Eastern Time USAC Offices 700 12th Street, N.W., Suite 900 Washington, D.C. 20005</p>

OPEN SESSION		<i>Estimated Duration in Minutes</i>
Chair	<p>a1. Consent Items (each item is available for discussion upon request):</p> <ul style="list-style-type: none"> A. Approval of Audit Committee Meeting Minutes of January 30, 2023 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	<p>i1. Audit and Assurance Business Update</p> <ul style="list-style-type: none"> • 1Q2023 Accomplishments • Plans for 2Q2023 • Audit Aging Analysis • Roadmap 	30

EXECUTIVE SESSION Confidential – Executive Session Recommended		<i>Estimated Duration in Minutes</i>
Teleshia	<p>i2. Audit and Assurance Division Business Update (<i>Continued</i>)</p> <ul style="list-style-type: none"> • Three-Year Analysis of Audit Recoveries • High Cost Modernized Audit Update • Customer Service Audit 	30
Teleshia	<p>a2. Action on One USAC Audit and Assurance Division Strategic Audit Report</p>	10
Chair	<p>i3. Audit Committee Executive Session with USAC’s Vice President of Audit and Assurance</p>	15

Next Scheduled USAC Audit Committee Meeting

<p>Monday, July 24, 2023 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
Thursday, April 20, 2023

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 Thursday, April 20, 2023. Mr. Geoff Feiss, Committee Chair, called the meeting to order at 10:01 a.m. Eastern Time, with a quorum of all five Committee members present:

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

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

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
Davis, Craig – Vice President of Schools and Libraries
Delmar, Teleshia – Vice President of Audit and Assurance
Domenech, Dr. Dan – Member of the Board
Freeman, Sarah – Member of the Board – *by telephone*
Gaither, Victor – Vice President of High Cost – *by telephone*
Garber, Michelle – Vice President of Finance, Chief Financial Officer, and
Assistant Treasurer
Gregory, Amber – Member of the Board
Hutchinson, Kyle – Vice President of IT and Chief Information Officer – *by telephone*
Mason, Ken – Member of the Board
O'Brien, Tim – Vice President of Lifeline
Sekar, Radha – Chief Executive Officer
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
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>
Bolling, Christopher – <i>by telephone</i>	USAC
Borg, Jeanenne – <i>by telephone</i>	USAC
Campos, Rosy – <i>by telephone</i>	CSM, Inc.
Edmonds, Daisy	USAC
Faunce, Donna – <i>by telephone</i>	USAC
Goode, Vernell	USAC
Kriete, Debra – <i>by telephone</i>	South Dakota State E-rate Coordinator
LeNard, Dave – <i>by telephone</i>	CDW-G
Morgan, Meredith	USAC
Nuzzo, Patsy	USAC
Phillippi, Megan	USAC
Robinson, Jen – <i>by telephone</i>	USAC
Rones, Julie	USAC
Sadirkhanova, Sabina – <i>by telephone</i>	USAC
Simab, Habib – <i>by telephone</i>	USAC
Sutherland, Beverly – <i>by telephone</i>	EdTechnologyFunds, Inc.
Wilson, Carl	USAC
Xu, Wayne – <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 30, 2023.
 - 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.
 - (3) **i3** – Audit Committee *Executive Session* with USAC’s Vice President of Audit and Assurance. USAC management

Available For Public Use

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 30, 2023; (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:
- 1Q2023 Accomplishments
 - Plans for 2Q2023
 - Audit Aging Analysis
 - Roadmap

At 10:27 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:
- Three-Year Analysis of Audit Recoveries
 - High Cost Modernized Audit Update
 - Customer Service Audit

- a2. Action on One USAC Audit and Assurance Division Strategic Audit Report.** Ms. Delmar presented the findings of this report and 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 Lifeline program’s manual eligibility determination process, accepts the recommendation of USAC management and hereby deems the report final.

At 11:15 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 the Audit Committee and Board of Directors in a confidential *Executive Session*.

OPEN SESSION

At 11:28 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 and took action on item a2.

On a motion duly made and seconded, the Committee adjourned at 11:28 a.m. Eastern Time.

/s/ Erin Williams
Assistant Secretary

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

<p>Monday, July 24, 2023 2:10 p.m. – 4:15 p.m. Eastern Time USAC Offices 700 12th Street, N.W., Suite 900 Washington, D.C. 20005</p>

OPEN SESSION		<i>Estimated Duration in Minutes</i>
Chair	<p>a1. Consent Items (each item is available for discussion upon request):</p> <ul style="list-style-type: none"> A. Approval of Audit Committee Meeting Minutes of April 20, 2023 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	<p>i1. Audit and Assurance Business Update</p> <ul style="list-style-type: none"> • 2Q2023 Accomplishments • Plans for 3Q2023 • Audit Aging Analysis • Roadmap 	30

EXECUTIVE SESSION Confidential – Executive Session Recommended		<i>Estimated Duration in Minutes</i>
Teleshia Chris Smith	<p>i2. Audit and Assurance Division Business Update (<i>Continued</i>)</p> <ul style="list-style-type: none"> • High Cost Improper Payment Results • High Cost Modernization • Lifeline Biennial Audits 	30
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 / Tom Leonard/Logan Bartrug	a5. Acceptance of USAC’s 2022 Annual Financial Statement Audit and Agreed-Upon Procedures Review (<i>Same as iBOD09cf</i>)	20

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 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, July 24, 2023

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 24, 2023. Mr. Geoff Feiss, Committee Chair, called the meeting to order at 2:10 p.m. Eastern Time, with a quorum of four of the five Committee members present:

Feiss, Geoff – Chair

Gillan, Joe

Fontana, Brent – *by telephone*

Polk, Stephanie – Vice Chair – *by telephone*

Members of the Committee not present:

Schell, Julie Tritt

Other Board members and officers of the corporation present:

Beyerhelm, Chris – Vice President and Chief Administrative Officer – *by telephone*

Buzacott, Alan – 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

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

Hutchinson, Kyle – Vice President of IT and Chief Information Officer

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

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>
Alomari, Ghanem	USAC
Augustino, Steven – <i>by telephone</i>	Nelson Mullins Riley & Scarborough
Bartrug, Logan	PricewaterhouseCoopers
Boakye-Gyan, Carol	USAC
Bolling, Christopher – <i>by telephone</i>	USAC
Braxton-Johnson, Kianna	USAC
Burchins, Jessica – <i>by telephone</i>	Nelson Mullins Riley & Scarborough
Calhoun, Mitch	USAC
Campbell, Jo-Ann	USAC
Case, Kevin	USAC
Claxton, Naomi	USAC
Faunce, Donna – <i>by telephone</i>	USAC
Goode, Vernell	USAC
Havivi, David – <i>by telephone</i>	USAC
Jaruboon, Jetshada – <i>by telephone</i>	Maximus
Krueger, Katie – <i>by telephone</i>	KPMG
Leonard, Tom	PricewaterhouseCoopers
Morgan, Meredith	USAC
Nuzzo, Patsy	USAC
Robinson, Crystal	USAC
Santana-Gonzalez, Jeanette – <i>by telephone</i>	USAC
Schrader, Theresa – <i>by telephone</i>	Broadband Legal Strategies
Shang, Matthew	USAC
Smith, Christopher	USAC
Staurulakis, Chresanthe	USAC
Xu, Wayne – <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 April 20, 2023.

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.
 - (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 2022 Annual Financial Statement Audit and Agreed-Upon Procedures Review. 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.
- 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 20, 2023; (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:
- 2Q2023 Accomplishments
 - Plans for 3Q2023
 - Audit Aging Analysis
 - Roadmap

At 2:23 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 and Mr. Smith presented PowerPoint slides to the Committee for discussion covering the following topics:
- High Cost Program Improper Payment Results
 - High Cost Program Fraud Risk Assessment
 - High Cost Modernized Audit Update
 - Lifeline Biennial Audit Update

- a2. Action on One USAC Audit and Assurance Division Strategic Audit Report.** Ms. Delmar noted that there were no findings on this report.

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 Congressional response programs expense reimbursement process, accepts the recommendation of USAC management and hereby deems the report final.

- a5. Acceptance of USAC's 2022 Annual Financial Statement Audit and Agreed-Upon Procedures Review.** Mr. Leonard and Mr. Bartrug presented their report to the Committee noting there were no misstatements, significant deficiencies, or materials weaknesses identified.

At 3:23 p.m. Eastern Time, on a motion duly made and seconded, the Committee continued in *Executive Session* with only members of the Board, Mr. Leonard, and Mr. Bartrug present.

- i3. Audit Committee *Executive Session* with USAC’s Independent Audit Firm.** Per the guidelines in the approved Audit Committee Charter, PricewaterhouseCoopers met with members of the Audit Committee and Board of Directors in a confidential *Executive Session*.

At 3:27 p.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.

- 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 3:52 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 discussed items i2 – i4 and took action on items a2 and a5.

On a motion duly made and seconded, the Committee adjourned at 3:53 p.m. Eastern Time.

/s/ Erin Williams
Assistant Secretary

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

<p>Monday, October 30, 2023 2:15 p.m. – 3:45 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> <ul style="list-style-type: none"> A. Approval of Audit Committee Meeting Minutes of July 24, 2023 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	<p>i1. Audit and Assurance Business Update</p> <ul style="list-style-type: none"> • Q3 2023 Accomplishments • Plans for Q4 2023 • Audit Aging Analysis • Roadmap 	30

EXECUTIVE SESSION Confidential – Executive Session Recommended		<i>Estimated Duration in Minutes</i>
Teleshia	<p>i2. Audit and Assurance Division Business Update (<i>Continued</i>)</p> <ul style="list-style-type: none"> • Improper Payment Results • Update on High Cost Modernized Audits 	30
Teleshia	a2. Review of the Audit and Assurance Division Charter	10
Chair	i3. Audit Committee Executive Session with USAC’s Vice President of Audit and Assurance	15

Next Scheduled USAC Audit Committee Meeting

<p>Monday, January 29, 2024 USAC Offices, Washington, D.C.</p>

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

AUDIT COMMITTEE MEETING
Monday, October 30, 2023

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 30, 2023. Mr. Geoff Feiss, Committee Chair, called the meeting to order at 2:16 p.m. Eastern Time, with a quorum of four of the five Committee members present:

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

Members of the Committee not present:

Polk, Stephanie – Vice Chair

Other Board members and officers of the corporation present:

Beyerhelm, Chris – Vice President and Chief Administrative Officer
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
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
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
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>
Boakye-Gyan, Carol	USAC

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.

<u>NAME</u>	<u>COMPANY</u>
Brady, Jair	USAC
Claxton, Naomi	USAC
Goode, Vernell	USAC
Joiner, Chelsea	USAC
King, Ryan	USAC
Morgan, Meredith	USAC
Nuzzo, Patsy	USAC
Oliver, Lindsay	USAC
Robinson, Crystal	USAC
Santana-Gonzalez, Jeanette	USAC
Sauls, Lucas – <i>by telephone</i>	Maximus
Schrader, Theresa – <i>by telephone</i>	Broadband Legal Strategies
Ward, Rashonda	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 24, 2023.
 - 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 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** – Review of the Audit and Assurance Division Charter. USAC management recommends that this matter be discussed in *Executive Session* because the basis to support the changes relate to *specific internal controls and/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. 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 (*see Attachment C*).

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 24, 2023; (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:
- Q3 2023 Accomplishments
 - Plans for Q4 2023
 - Audit Aging Analysis
 - Roadmap

At 2:32 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:
- Improper Payment Results
 - Update on High Cost Modernized Audits
- a2. 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 3:02 p.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 the Audit Committee and Board of Directors in a confidential *Executive Session*.

OPEN SESSION

At 3:22 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 discussed items i2 and i3 and took action on item a2.

On a motion duly made and seconded, the Committee adjourned at 3:22 p.m. Eastern Time.

/s/ Erin Williams
Assistant Secretary