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DREXEL UNIVERSITY

Office of

Compliance, Privacy  
and Internal Audit

DREXEL UNIVERSITY  
COMPLIANCE PROGRAM PLAN

INCLUDING COMPLIANCE COMMITTEE CHARTER

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## INTRODUCTION

As stated in the Strategic Plan, Drexel University (“Drexel,” or “University”) is an urban research university that integrates education, scholarship, diverse partnerships, and our global community to address society’s most pressing challenges through an inclusive learning environment, immersive experiential learning, external partnerships, transdisciplinary and applied research, and creative activity. We prepare graduates of diverse backgrounds to become purpose-driven professionals and agents for positive change.

Drexel University is committed to the highest standards of ethics, honesty, fair dealing and integrity in pursuit of this mission. In coordination with our Strategic Plan and Code of Conduct, this Drexel University Compliance Plan (“Compliance Plan,” or “Plan”) articulates and defines frameworks, requirements, standards and guidelines of conduct that are designed to support and enhance the University’s culture of compliance and ethics; prevent, detect and correct violations of law, regulation and University policy; uphold accreditation standards; and provide support, awareness, training, educational, and enforcement resources to achieve appropriate compliance in the University’s endeavors and partnerships. The Compliance Plan further details the operational structure of the Drexel University Compliance Program and offices that, working in conjunction with schools, colleges, departments and business units of the University, are responsible for the management and oversight of the University’s compliance and ethics efforts.

## COMPLIANCE FRAMEWORK

The Drexel University Compliance Program (“Compliance Program,” or “Program”) is designed to operationalize the requirements for effective compliance and ethics programs as established by the U.S. Sentencing Guidelines for Organizations.<sup>1</sup> As such, to ensure that Drexel University maintains an effective compliance and ethics program, the Program has two primary goals:

1. To assist in the prevention and detection of conduct that is contrary to applicable law or established University<sup>2</sup> policy; and
2. To promote a culture within the institution that encourages ethical conduct and a commitment to compliance with laws.

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1. U.S. Federal Sentencing Guidelines Manual §8B2.1, Effective Compliance and Ethics Program, effective November 1, 2004. As stated therein, “a) To have an effective compliance and ethics program, for purposes of subsection (f) of §8C2.5 (Culpability Score) and subsection (b)(1) of §8D1.4 (Recommended Conditions of Probation - Organizations), an organization shall—

(1) exercise due diligence to prevent and detect criminal conduct; and

(2) otherwise promote an organizational culture that encourages ethical conduct and a commitment to compliance with the law.

2. The U.S. Federal Sentencing Guidelines Manual, §8A1.1. Applicability of Chapter Eight clarifies that “this chapter applies to the sentencing of all organizations for felony and Class A misdemeanor offenses.” The associated application note details: “‘Organization’ means ‘a person other than an individual.’ 18 U.S.C. § 18. The term includes corporations, partnerships, associations, joint-stock companies, unions, trusts, pension funds, unincorporated organizations, governments and political subdivisions thereof, and non-profit organizations.” Thus, as a non-profit organization, Drexel University is an “organization.” Throughout this document, we will refer to Drexel University or University where the Guidelines reference organizations.

To operationalize these goals, the Drexel University Compliance Program is built upon the framework of the essential elements of an effective compliance and ethics program, including each of the following:

1. Establish standards and procedures to prevent and detect criminal conduct.
2. Appoint a governing authority that is knowledgeable about the content and operation of the compliance and ethics program and that shall exercise reasonable oversight with respect to the implementation and effectiveness of the compliance and ethics program.
3. Use reasonable efforts to ensure not to include within the substantial authority of the University any individual whom the University knew or should have known, through the exercise of due diligence, has engaged in illegal activities or other conduct inconsistent with an effective compliance and ethics program.
4. Take reasonable steps to communicate periodically and in a practical manner its standards and procedures, and other aspects of the compliance and ethics program, to identified individuals within the University, by conducting effective training programs and otherwise disseminating information appropriate to such individuals' respective roles and responsibilities.
5. Take reasonable steps to:
  - a. ensure that the University's compliance and ethics program is followed, including monitoring and auditing to detect criminal conduct,
  - b. evaluate periodically the effectiveness of the University's compliance and ethics program, and
  - c. have and publicize a system, which may include mechanisms that allow for anonymity or confidentiality, whereby the University's employees and agents may report or seek guidance regarding potential or actual criminal conduct without fear of retaliation.
6. Promote and enforce the compliance and ethics program consistently throughout the University through:
  - a. appropriate incentives to perform in accordance with the compliance and ethics program, and
  - b. appropriate disciplinary measures for engaging in criminal conduct and for failing to take reasonable steps to prevent or detect criminal conduct.
7. Take reasonable steps to respond appropriately to the criminal conduct and to prevent further similar criminal conduct, including making any necessary modifications to the University's compliance and ethics program.

In support of these Seven Elements of an Effective Compliance Program, the Drexel University Compliance Program defines the scope of conduct expected of University community members in pursuit of the University's strategic goals.

## THE DREXEL UNIVERSITY COMPLIANCE PROGRAM

Drexel University recognizes that compliance with the complex and rapidly changing laws and regulations affecting the University is often difficult, because those laws and regulations frequently do not provide sufficient guidance about what constitutes proper conduct. The Drexel University

Compliance Program is designed to ensure legal and regulatory compliance with these standards. Everyone in the Drexel community is responsible to work to satisfy the teaching, research and healthcare delivery missions of the University. Thus, the Program implements these elements to assist the University community in remaining a compliant and ethical environment.

## WRITTEN STANDARDS AND PROCEDURES

### COMPLIANCE WITH THE LAW

Drexel University is committed to compliance with all applicable laws, rules and regulations. Every member of the University community is obligated to follow all applicable laws, rules, regulations and University policies within the course and scope of their work at the University, and to maintain an educational, scholarship, research, partnership and community focused environment that is committed to integrity and ethical conduct.

The University has established [Official University Policies](#) that help faculty, staff and students to meet this responsibility by ensuring compliance with applicable laws and regulations. Policies, procedures and other standards effectuate relevant best practices and are aimed at reducing the likelihood of criminal behavior at the University. Key University policies and procedures are publicized on the University's policy website, as well as within each college, school and department.

### CODE OF CONDUCT

Recognizing that the University community is unique in our society in its significant dependence upon the integrity, honesty, good citizenship and professional conduct of its members, the Drexel University Code of Conduct obligates the Drexel community to ensure its compliance with the law. Under our Code of Conduct, the University and its members strive to ensure that all activity conducted by, at or on behalf of the University is in full compliance with local, state and federal laws, applicable professional standards, and the official policies of the University.

The Drexel University [Code of Conduct](#) is not intended to be a comprehensive list of legal, regulatory and ethical standards, but it provides information to the Drexel community and serves as the primary policy for references to the laws, regulations, rules and standards that govern their conduct. Specific questions regarding compliance with our Code of Conduct should be directed to the employee's manager, or the Office of Compliance, Privacy and Internal Audit at [compliance@drexel.edu](mailto:compliance@drexel.edu).

## GOVERNANCE

### OFFICE OF COMPLIANCE, PRIVACY AND INTERNAL AUDIT

The Drexel University Compliance Program is housed in the [Office of Compliance, Privacy and Internal Audit](#). The mission of the Office of Compliance, Privacy and Internal Audit is to help members of the Drexel community live out the core values established by the University's Code of Conduct. As a department within the Office, [Compliance Program Services](#) (CPS) oversees the Compliance Program for the University by supporting the legal, business, professional and ethical vision, principles and standards that guide us today and move us into the future. CPS works together with faculty, professional staff and students to ensure the integrity of Drexel practices and systems, and to further adherence to applicable laws, regulations and other standards in support of the longstanding academic, research and healthcare missions of Drexel University.

## COMPLIANCE OFFICER

Compliance Program oversight is under the direction of the [Vice President and University Chief Compliance Officer](#) (CCO), who reports directly to the Executive Vice President, Treasurer and Chief Operating Officer. The CCO has reporting obligations to the President and Audit Committee of the Board of Trustees. In this role, the CCO manages the day-to-day coordination of compliance efforts throughout the University, thereby helping to ensure that the University fulfills the obligations of its mission and maintains the necessary controls to support its operation and regulated activities.

## COMPLIANCE COMMITTEE

Drexel University will establish a Compliance Committee within the senior management and key units of the University to ensure that all laws, regulations and policies affecting the University and its activities are obeyed. The Compliance Committee is responsible for assisting and supporting the University Chief Compliance Officer in the structure, operation and maintenance of Compliance Program initiatives and activities.

The Compliance Committee will regularly report to the Enterprise Risk Management Committee and the Audit Committee of the Board of Trustees. Members of the Compliance Committee will include, at a minimum, senior management or their designee, and key leaders from the following administrative units:

Office or Department	Committee Position
Compliance & Privacy	Chair
General Counsel	Advisor
Risk Management	Member
Internal Audit	Member
Human Resources	Member
Information Technology	Member

To learn more about the Compliance Committee, please see the [Appendix](#).

## EMPLOYEE AND AGENT SCREENING

### EMPLOYEES

To ensure that Drexel University satisfies legal and regulatory requirements prohibiting employment of individuals who are under federal or state regulatory exclusion or debarment, the University has implemented a [Sanction Checks Policy](#) that includes a process to screen new and prospective faculty and staff. Supplementally, on an ongoing basis, eligible Drexel faculty and staff are screened against applicable federal and state regulatory exclusion lists to confirm compliance. Drexel University may prohibit the employment of any person listed by a federal or state agency as debarred, excluded, or otherwise ineligible for participation in federal- or state-funded programs to maintain compliance with federal and state laws.

## AGENTS

In accordance with University procedures, applicable searches of its agents against federal and state sanction lists must be completed to ensure that Drexel University does not contract with or do business with any individual or entity that is listed by a federal or state agency as debarred, excluded, or otherwise ineligible for participation in federal or state funded programs.

## COMMUNICATION AND TRAINING

Developing effective lines of communication is essential to the effectiveness of the Drexel University Compliance Program. Repeated communication of the Compliance Program occurs through the publication of regular updates of the Program website, distribution of the monthly Program newsletter (*It's Okay to Ask*), and dissemination of special information alerts. The establishment and promotion of the Program website, email account and staff contact information enables members to contact the CCO or CPS at any time. Through Program branding noting, "It's Okay to Ask," community members are encouraged to ask questions and raise concerns with the support of regular messaging stressing University standards ensuring confidentiality, providing prompt feedback and working collaboratively within the Drexel community to remain visible and approachable.

## TRAINING AND EDUCATION

Compliance training and education provide University community members with the information necessary to understand the law, regulations, rules, policies and our Code of Conduct. Regular training and education are embedded in the job requirements of Drexel University employees both upon hire and at least annually thereafter. Training is administered through the Drexel University [Enterprise Learning](#) program and tracked in the employee's record. In addition to required compliance training, Compliance Program Services offers ongoing training and education specific to important compliance-related issues, employee job duties, and current events through the creation and delivery of web-based and live courses, as well as one-on-one discussions working in collaboration with relevant colleges, schools and departments.

Drexel University Compliance Program staff are equally tasked with ensuring they stay current on compliance issues and trends by obtaining and maintaining recognized industry certifications, and by regularly attending training and education seminars, conferences, reading relevant articles and publications, and participating in professional networking.

## COMPLIANCE MATRIX

Each member of the University community has a responsibility to conduct themselves ethically and in compliance with the law. To help community members access information necessary to facilitate compliance with applicable standards, certain individuals throughout the University are responsible for maintaining compliance with specific laws and regulations. Drexel University's [Compliance Matrix](#) is a resource provided to help Drexel community members locate the appropriate individual to contact with questions or concerns about key areas of compliance. The Compliance Matrix communicates the University mission of shared accountability for compliance and furthers the University's culture of collaboration, openness, honesty and integrity.

The information contained in the Drexel University Compliance Matrix is provided for general guidance and is not intended for or in the place of legal advice. While effort is made to keep information up-to-date, delays or omissions may occur due to the volume of resources listed, and the nature of change associated with the included laws, rules, regulations and University resources.

## AUDITING AND MONITORING, EVALUATION, AND REPORTING

Audit is an essential function of the University's effective compliance with legal and regulatory standards. As part of regular Compliance Program processes, audits are conducted to prevent, detect and correct activities related to review billing and payments in regulated areas of the University. Compliance Program auditing, such as medical record coding and auditing, which schedules at least annual provider billing reviews for outpatient clinical services, certifies documentation of medical necessity and identifies appropriate repayments to federal, state, local and commercial payers when suitable. Audit activities ensure timely correspondence with government and regulatory agencies to provide compliant, responsive communication. The audit function oversees periodic assessment of key risk areas, providing review, coaching and training to University staff, recommending disciplinary action when improper actions and activities are identified.

Monitoring ensures day-to-day activities within the University are in line with established laws, regulations, and internal policies. Monitoring activities are conducted by the Compliance Program Services team. Working with high-risk areas within the University, the CPS team oversees routine monitoring through periodic sampling, testing and evaluation. The Program conducts appropriate follow up on identified non-compliance based upon applicable law, regulations and policies, and regularly reports its findings to the Audit Committee of the Board of Trustees.

### THE DREXEL COMPLIANCE HOTLINE

An easily accessible, third-party hosted hotline is a hallmark of an effective compliance program. At Drexel, reporting suspected fraud, violations of law or regulation, or non-compliance with our Code of Conduct, or any other official University policies or procedures helps fortify the effectiveness of the Compliance Plan. In accordance with the Drexel's [Reporting Allegations Policy](#), Drexel community members who have a reasonable basis for suspecting improper conduct, such as fraud, violations of law or regulation, or non-compliance with our Code of Conduct and official University policy should promptly notify their supervisor or manager, the Chief Compliance Officer or designated Compliance representative, or contact the Drexel Compliance Hotline.

The [Drexel Compliance Hotline](#) is an easy-to-use, confidential reporting hotline hosted by an external, third-party provider, EthicsPoint. The Drexel Compliance Hotline is accessible 24 hours per day, 365 days per year, by phone or via the online, web-based reporting mechanism. Reports to the Drexel Compliance Hotline will be investigated promptly and fairly. Members of the Drexel community may report to the hotline anonymously. Individual community members who report suspected improper conduct to the Drexel Compliance Hotline, in good faith, will not be subject to retaliation or harassment.

## PROMOTION AND ENFORCEMENT

### INCENTIVES

By encouraging and rewarding community participation in the Compliance Plan, the University strengthens the awareness, understanding and respect for the Program, while driving the behaviors expected and endorsed by the University. Incentives are used to help change behaviors, staff performance, and recognize members of the University community who exemplify and influence compliant and ethical thinking, especially where gray areas exist, and norms are changing. The Compliance Program uses incentives to encourage discussion, recognize innovation and further the mission and values expressed in the Strategic Plan. Incentives may not be applied

or used to encourage or reward behavior in violation of law, applicable regulation or University policy.

#### DISCIPLINARY MEASURES

Detecting improper behavior is at the center of an effective compliance program. Of equal importance is holding individuals accountable for actions that violate standards. At Drexel, in compliance with our Code of Conduct, individuals found in violation of law, regulation or University policy, including Compliance policy, will be subject to disciplinary action up to and including termination. Disciplinary action will be applied after sufficient investigation of the alleged improper conduct and suitable to the substantiated behavior.

#### INVESTIGATIONS AND CORRECTIVE ACTION

Investigation of reports and allegations of improper conduct, including violations of law, regulation and internal policy ensures the promises of the Compliance Program are upheld and reassures community members that their concerns are taken seriously. Upon receipt, allegations and reports of actual and potential improper conduct, the Compliance Program will oversee an investigation, working with appropriate units in the University. Where such allegations and reports are substantiated, further corrective action, including but not limited to coaching, training, policy creation or revision, suspension, or termination of activities will be implemented. Record of allegations and reports of improper conduct along with resulting investigations and corrective action will be maintained in the case management system associated with the Drexel Compliance Hotline. The CCO will provide a quarterly report of applicable investigations and corrective action to the Audit Committee of the Board of Trustees.

Adopted September 21, 2021 by the Audit Committee of the Drexel University Board of Trustees

# APPENDIX: DREXEL UNIVERSITY COMPLIANCE COMMITTEE CHARTER

## PURPOSE

Drexel University establishes the Drexel University Compliance Committee (“Compliance Committee” or “Committee”) to ensure that Drexel University has an effective Compliance Program. The Compliance Committee is responsible to assist and support the University Chief Compliance Officer (CCO) in the structure, operation and maintenance of the Compliance Program by overseeing Compliance Program initiatives and activities. The Committee will confirm that all laws, regulations and policies affecting the University and its activities are obeyed. The CCO has ultimate responsibility for operating the Compliance Program, with the assistance and support the Compliance Committee.

The Committee will direct the appropriate resources of Drexel University to guarantee the appropriate creation and execution of the Compliance Program. The Committee will work collaboratively to ensure the coordination of compliance activities across the University. The Committee will further take or recommend necessary actions to promote a culture of ethical conduct and commitment to compliance with laws, regulations and University policy. The Committee will receive regular reports from the CCO regarding the status of internal compliance programs and processes, as well as, reported violations of the Compliance Program and the response to any such alleged violations.

The Committee will have the authority to recommend disciplinary and corrective action for substantiated conduct that violates University standards and may request further investigation into matters it deems appropriate related to the operation of the Compliance Program.

## MEMBERSHIP AND STRUCTURE

The CCO will serve a chairperson of the Committee. Members of the Compliance Committee will include, at a minimum, senior management or their designee, and key leaders from the following administrative units:

Office or Department	Committee Position
Compliance & Privacy	Chair
General Counsel	Advisor
Risk Management	Member
Internal Audit	Member
Human Resources	Member
Information Technology	Member

The Committee may appoint ad hoc members, each to serve at the pleasure of the Committee, to assist and advise the Committee in carrying out this Charter. While the ad hoc members of the Committee are not entitled to vote on matters formally considered by the Committee, ad hoc members may request a meeting of the Committee and suggest matters to be included on the agenda of any meeting of the Committee.

## MEETINGS

The Compliance Committee will meet at least quarterly, within two weeks of scheduled Enterprise Risk Management Committee meetings, prior to scheduled Audit Committee meetings. The Committee will take official action by the affirmative vote of a simple majority of the Committee members present at a duly held meeting or participating in an online vote. The Committee will designate the proper manner for setting of meeting agendas.

## REPORTING

Acting through the University Chief Compliance Officer, the Compliance Committee will regularly report to the Audit Committee of the Board of Trustees. The Compliance Committee will serve as a subcommittee of the Enterprise Risk Management Committee and will report to the ERM Committee on a quarterly basis. Upon request, the Compliance Committee may provide periodic reports to the President's Cabinet or other executive committees of the University.