

UNIVERSITY COMPLIANCE AND ETHICS COMMITTEE CHARTER

Principles:

The USC Compliance and Ethics Program is intended to further the university's mission and strategic plan by (1) helping USC faculty and staff employees understand and comply with applicable laws, rules, regulations; (2) preventing and detecting violations of law, regulations and university policy; and (3) promoting ethical conduct as articulated in the USC Code of Ethics. Ultimately, an effective compliance program ensures that there are adequate controls in place to reduce regulatory risks throughout the university and provides to senior leadership and the Audit and Compliance Committee reasonable assurance that core compliance management practices are in place across the university for all compliance risk areas.

The following principles are recognized as important elements for an effective compliance program:

- Effective compliance oversight
- Periodic risk assessments to identify compliance risks;
- Policies, procedures and standards to detect and prevent violations of law;
- Effective training so that employees know the rules that apply to them;
- Monitoring and auditing to confirm that employees are following the policies;
- Prompt investigation and appropriate action to prevent similar offenses;
- Enforcement of policies through well publicized disciplinary guidelines;
- Periodic evaluation of the effectiveness of the compliance and ethics program.

The Committee members will develop standards and a compliance framework to assess, monitor and report on the progress of implementing the elements reflected above for their specific compliance functions. The University Compliance and Ethics Program will leverage that input and structure to provide reasonable assurance to the USC Audit and Compliance Committee and senior leadership that core compliance risk areas are managed in accordance with these recognized elements.

Committee Responsibilities:

Specific Responsibilities include:

1. Identifying current and emerging compliance risk areas that are relevant to the university's mission and objectives and providing advice regarding compliance program priorities;
2. Developing and implementing standards to assess whether the elements described above are being met.

The standards will assist compliance risk owners in designing and maintaining programs for their respective compliance functions and will establish roles and responsibilities, track compliance implementation across risk areas, identify gaps and trends in compliance efforts and report progress to senior management and the Audit and Compliance Committee;

3. Assisting with development and review of education, policies and standards;
4. Assisting with monitoring of identified compliance risks and implementing corrective action, as applicable;
5. Sharing best practices across university compliance functions;
6. Coordinating with other relevant committees and/or activities, including the university's enterprise risk efforts.

Governance

The Committee members shall be appointed annually by the Senior Vice President for Administration. Only those individuals appointed to serve on the Committee will have voting privileges.

The committee shall meet quarterly, or more frequently as circumstances dictate.