DIRECT CARE AND TREATMENT

Corporate Compliance Risk Assessment at DCT

Jeshua Livstrom | Chief Compliance Officer

7 elements of an effective compliance program

1. Compliance Leadership and Oversight
2. Written Policies and Procedures
3. Training and Education
4. Effective lines of communication with the Compliance Officer and Disclosure Program
5. Enforcing Standards: Consequences and Incentives
6. **Risk Assessment**, Auditing, and Monitoring
7. Responding to Detected Offenses and Developing Corrective Action Initiatives

Sources and processes for risk identification

- Controls System Assessment Tool
- DCT Risk Assessment
- Quarterly Risk and Compliance meetings with each service line
- DCT Hotline

Controls System Assessment Tool (CSAT) and Agency Risk Assessment Plan

- Led by Minnesota Management and Budget (MMB) and required for all state agencies to participate
- Focus is risk areas specific to our status as a state government agency
- MMB identifies controls to assess
- Typical timeline:
  - MMB provides templates to state agencies in March
  - Agencies submit in August
- DCT submitted its first CSAT and Risk Plan to MMB on August 29, 2025

DCT Risk Assessment

- Focus is risk areas specific to our status as a health system and 24/7 operator:
  - Identify the risks that the CSAT would have missed
  - Identify organizational risk priorities
- 5 risk focus areas proposed based on ranking criteria
- 2025-2026 Timeline
  - CEO sent assignment to executives for risk assessment in August 2025
  - DCT Risk Manager assembled raw data in September 2025
  - Presented findings to the Executive Team in January 13; received endorsement on priority risk categories
  - Survey sent to executive team January 23 to further articulate risk categories; Risk areas and risk factors finalized based on survey
  - Next steps: develop strategic objectives to address each risk area

Quarterly Compliance and Risk Meetings

- Compliance meets quarterly with leadership of each service line to identify, discuss, escalate, and mitigate risk.
- Another important source for risk identification.

DCT Hotline

- Weekly review and triage group
- Purview risks

Complaints and Accommodations

- Use the **DCT Hotline** to report suspected waste, fraud, abuse or misconduct.
- Report harassment or discrimination
- Request an accommodation
- See more on the Compliance webpage

Future and Direction of DCT Risk Program

- Working on developing Risk Register Application
- Integrating risk assessment processes
- Adopting the COSO Framework – moving forward in maturity of organizational risk assessment and integration of risk management
- Repeatable, operationalized timeline of events

Thank You!

Jeshua Livstrom

jeshua.livstrom@state.mn.us