Department of MANAGEMENT SERVICES

Office of Inspector General
4030 Esplanade Way, Suite 250
Tallahassee, FL 32399-0950
850-488-5285

Ron DeSantis, Governor
Tom Berger, Interim Secretary

MEMORANDUM

DATE: March 27, 2026

TO: Tom Berger, Interim Secretary

FROM: Heather D. Robinson, Inspector General Heather D. Robinson

Digitally signed by Heather D. Robinson Date: 2026.03.27 16:35:46 -04'00'

SUBJECT: FP 2026-20, Six-month Status Report on Corrective Action for Report No. 2026-029 *Florida Retirement System Pension Plan and Retiree Health Insurance Subsidy Program*

Pursuant to section 20.055(2)(f), Florida Statutes, the inspector general is required to report on the Department's progress made in implementing corrective actions. This document represents the Office of Inspector General's six-month review of the open finding and recommendation in Auditor General Report No. 2026-029, *Cost-Sharing Multiple Employer Defined Benefit Plans Deferred Outflows for Contributions Subsequent to the June 30, 2024, and June 30, 2023, Measurement Dates by Employer Fiscal Years Ended June 30, 2025, and 2024,* issued on October 2, 2025. The report's finding, recommendation, and our determination regarding the status of corrective action are summarized below:

Finding 2025-001: *Deferred Outflows for Contributions Subsequent to the Measurement Date*
The Florida Department of Management Services, Division of Retirement [Division], did not properly compile report details of employer allocations prior to providing the information to the Florida Retirement System (FRS) actuary for use in preparing the FRS Pension Plan and Health Insurance Subsidy (HIS) Program deferred outflows for contributions subsequent to the June 30, 2024, measurement date. Consequently, the FRS Pension Plan and HIS Program deferred outflows for contributions subsequent to the June 30, 2024, measurement date had to be revised for 733 employers.

Recommendation:
To ensure that FRS Pension Plan and HIS Program deferred outflows for contributions subsequent to the measurement date are accurately reported by employer, we recommend that Division management enhance financial reporting controls, including ensuring the conduct of appropriate review over data aggregation methods and the data provided to the FRS actuary, as well as the performance of current year to prior year balance analyses.

We determined the Division of Retirement implemented the following corrective actions:

- Updated the *Employer Contribution Annual Summary for Actuary* validation steps, including the actuary and staff performing random reviews of individual agencies;
- Established threshold variances between current and prior-year employer contributions;

- Separated the reporting for the actuary and the Auditor General into two separate files; and
- Engaged the Office of Inspector General to review the reporting processes for potential improvements, including data handling changes and employer schedule preparation

Based on the above corrective actions, the Office of Inspector General considers the recommendation implemented and will close the finding pending Auditor General review.

We would like to thank and acknowledge the Division of Retirement's staff for their cooperation and assistance during this project. Should you have any immediate questions or concerns, please feel free to contact me at (850) 488-5285.

HDR/kb

cc: Jeff Ivey, Chief of Staff
Edric Sanchez, Deputy Secretary of Workforce Operations
Kathy Gould, Director of the Division of Retirement
Tabitha McNulty, Audit Director
Jeremy Savage, Audit Team Lead
Kalesia Boyd, Staff Auditor

External recipient:
Melinda Miguel, Chief Inspector General, Executive Office of the Governor
Kathy DuBose, Coordinator, Joint Legislative Auditing Committee