

ACCOMPANYING INFO

PARTNERING



Tony and his brother Richard grew up near Philadelphia. Their father served in the Navy. In 1955, Tony followed suit and enlisted. He served aboard three ships over 20 years, some during the Korean War. Yet, according to Tony: “The only action I saw was when a girlfriend’s father shot at me!”

Tony and his father set a fine example by serving in the Navy, so little brother Richard decided that’s what he should do, too. He served 22 years on four different small ships in the Mediterranean and the Caribbean as an electronics technician.

A few years ago, Tony was driving on U.S. Route 90 and saw our sign for the “Naval Home”. He was age 61, and his wife had recently passed. So he decided to come aboard.

Later, Richard followed in Tony’s footsteps again. “Having family right here makes it more ‘homey’ for us”, says Richard. They enjoy activities together and spend quality time in our pub, Fiddler’s Green. Tony enjoys spreading the word about the AFRH: “I’m one of the Home’s best, unpaid salesmen. I always tell people to get on the wait list.”

Richard says the Home is even better than he imagined. “Residents have so much in common whether it’s the loss of a spouse or just serving our country. And it’s easy to make friends.” Both are grateful for the time they have together—and they toast to it often in Fiddler’s Green.

“The best thing that has happened to us is being here together.”

—Tony Ortolano (Navy, AFRH-G)



“Tony was my guiding light. Without him I wouldn’t be here.”

—Richard Ortolano (Navy, AFRH-G)

Final Requirements

The IG Letter

2014 Management & Performance Challenges

Response to 2013 Challenges

Improper Payments

Summary of Financial Statement Audit & Assurances

Various Acronyms

Special Thanks

FINAL REQUIREMENTS

RESOLVED

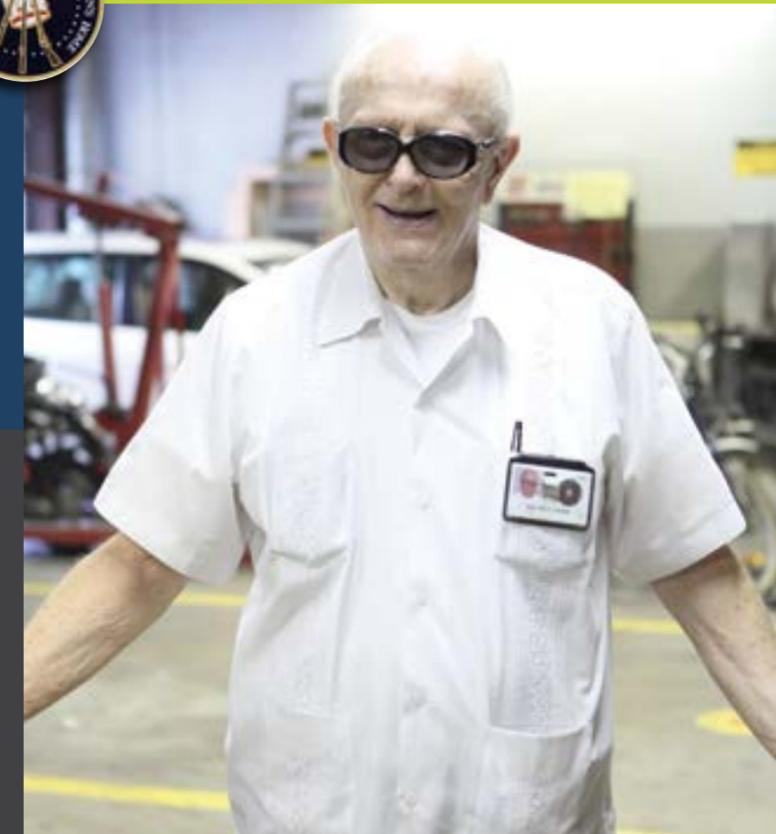
We are thrilled that we can share all of our 2013 achievements with you. This final part of the PAR, ACCOMPANYING INFO, satisfies additional Federal reporting requirements. Here we provide data on our Improper Payments, the Summary of our Financial Statement Audit, Assurances, and the Inspector General (IG) assessment.

The Reports Consolidation Act of 2000 requires each Federal agency IG annually to identify and assess the most serious management and performance challenges facing the AFRH. The IG also reports the steps have been taken to mitigate and correct those challenges.

Visitors scale the stone stairwell to the AFRH-W Sherman Building clock tower.



“I’d rather go down fighting than just cower in a corner.”
—Walter Fisher (Army, Air Force, AFRH-W)



Walter enjoys volunteering in the Auto Shop. Last September, he was buying supplies at Advanced Auto Parts. As he approached the checkout counter a man suddenly rushed him. “Seconds later he was on me! We struggled intensely and knocked over product displays.”

The man ultimately overpowered and cuffed Walter. He and his armed accomplice fled with cash and escaped through the back parking lot. Walter quickly managed to free one hand and dialed 911.

The police were en-route promptly. The thug with the stolen money heard sirens, removed his shirt, and hid the cash inside it. The cops arrived and quickly discovered the cash-stuffed shirt. “It had the criminal’s workplace stitched on it so he was easily found. The police were outstanding”, said Walter.

Walter had some bruises but nothing serious. The crooks are in jail awaiting trial and could serve 25 years. We asked Walter if he’d do it again: “I didn’t give up then, and I never will.”

IG OVERVIEW

DEDICATED

The AFRH Office of the Inspector General (OIG) is an independent office within the AFRH that detects and prevents fraud, waste, abuse, and mismanagement or the perception thereof.

The AFRH Office of the IG is governed by the Inspector General Act of 1978, as amended (5 U.S.C. App. 3). This Act established the Federal offices of Inspectors General as independent and objective units that shall:

1. Conduct and supervise audits and investigations
2. Review existing / proposed legislation and regulations
3. Advise policies to promote economy, efficiency, and effectiveness
4. Prevent and detect Agency waste, fraud, and abuse
5. Keep the COO and Congress abreast of problems / deficiencies, and
6. Advise on the necessity for, and progress of, corrective actions

In FY 2013 the AFRH IG conducted several initial accountability audits at both AFRH communities. Several audits were conducted: Quarter Lease Agreements, Employee timecards / overtime, Medical Equipment Maintenance Management Program, and Mass Transportation Benefits.

The AFRH IG held one-on-one meetings available to all residents and staff. This new initiative allows both parties to express concerns over fraud, waste, abuse, mismanagement or the perception thereof.

Another AFRH IG initiative: an active walkthrough at both Homes to get a birds-eye view of all procedures and processes. The IG found this to be a much more efficient way to address issues and prevent problems.



Vision: To be the best in service and oversight in order to create a better AFRH for tomorrow.

Mission: To promote efficiencies and effectiveness while detecting fraud, waste, abuse, and mismanagement via the independent oversight of AFRH programs and operations.

Sheila Abarr (AFRH IG) dedicates her efforts to make the AFRH more effective and efficient.



**“What’s not to like about this place?
I wouldn’t change a thing.”**

—Bernie Hipchen (Army, AFRH-G)



Office of the AFRH Inspector General (IG)
Armed Forces Retirement Home
3700 N. Capitol Street
Washington, DC 20011-8400

DATE: December 16, 2013
TO: Steven G. McManus, COO
SUBJECT: IG Statement on FY14 Challenges

In accordance with Section 3 of the Reports Consolidation Act of 2000, each Federal agency IG must provide a statement outlining the most serious challenges facing the organization. Per the new Government Performance and Results Modernization Act, these challenges link directly to the President’s initiative to improve performance via AFRH High-priority Performance Goals.

In FY 2013, the AFRH completed the Scott Project, a major milestone for implementing Person-centered Care at the AFRH-W. The Gulfport facility completed in 2010 is also an ultramodern facility for senior living. Both Homes are now increasing resident service and quality of life and decreasing healthcare costs and maintenance fees. Given these new facilities, the staff had to alter resident programs, dining services, and recreational activities. Major achievements such as these do not happen every year and everyone is to be congratulated on the smooth transition that took place without major disruptions to daily living and work activities.

My responsibility is to provide objective oversight, advice, and monitoring as the AFRH moves forward to achieve its ultimate vision. The Challenges outlined here are gathered from careful observation throughout the year. I will outline how we met and overcame the FY 2013 Challenges and what remains to be done. Some new areas have emerged and we must press forward with a renewed sense of dedication to mitigate the associated risks.

I am proud of all that we have achieved so far. As we face these next steps, I will carefully observe, recommend, and support our staff to grow and succeed in my capacity as their IG.

Sincerely,

Sheila Abarr
AFRH Inspector General

FY 2014 CHALLENGES IDENTIFIED BY THE AFRH IG:

MANAGEMENT CHALLENGES

FINANCIAL

Ensure Trust Fund solvency and work within mandated budget reductions

RECOMMENDED ACTIONS

- Maintain oversight of budget development and execution to contain costs as planned
- Place added emphasis on Internal Controls
- Monitor revenue streams and develop alternative strategies as issues arise
- Increase voluntary contributions to the Agency
- Implement the Washington Master Plan

INFORMATION TECHNOLOGY

Establish and maintain an optimal technology operating environment

- Implement widespread usage of the EHRS, improve electronic forms, and provide staff training
- Upgrade employee tools to be more high-tech
- Deploy knowledge management through SharePoint and provide staff training
- Overcome time stoppages in using new IT / old equipment and processes
- Show results of IT strategic objectives

ACCREDITATION

Maintain CARF and Joint Commission accreditation

- Establish milestones to be prepared in accordance with accreditation timelines
- Implement and maintain recommendations from CARF Quality Improvement Plans
- Implement recommendations from consultants in preparation for Joint Commission accreditation

PERFORMANCE CHALLENGES

PERSON-CENTERED CARE (PCC)

Continue progress in PCC operations to enhance service delivery

RECOMMENDED ACTIONS

- Define measurements for better results in PCC
- Empower staff by expanding PCC knowledge and skills
- Achieve acceptable performance and alter services as needed

STAFF-CENTERED ENVIRONMENT

Address staff issues and concerns to improve working environment

- Fill key AFRH positions
- Train staff on processes and Strategic Goals / Objectives
- Maintain leadership by reducing turnover in key positions
- Ensure continuity of effort (overcome problems encountered in Oct. 2013 furlough)

AGING IN PLACE

Continue expansion and improvement of Aging in Place initiative

- Ensure more accountability between the transitions from one care level to another
- Track costs by level of care and determine staff time usage in all levels



AFRH staff members employ a variety of activities to keep residents' minds active.

Stan Whitehead (IT Manager) and Antar Ali (IT Specialist) keep our systems tip-top.



MANAGEMENT RESPONSE TO THE IG'S FY 2013 CHALLENGES

2013 MANAGEMENT CHALLENGES

RESPONSE AND PROGRESS

Transitioning to the new AFRH-W Scott Building with smooth operations

SUCCESS. Staff adapted to our new PCC building and did an admirable job with all operational changes.

Optimizing strategy for the Washington Master Plan revival

ONGOING. Work continued for an updated property appraisal. As the real estate market improves, the AFRH will determine the ideal next steps.

Continuing progress in PCC operations and enhancing its service delivery

ONGOING. Staff immersed themselves in PCC when they implemented the new procedures in the AFRH-W healthcare units. While processes are going well, there is always room for improvement. PCC dining was implemented at both Homes to the residents' delight.

Continuing the expansion of Aging-in-Place

ONGOING. Staff numbers were reduced in higher levels of care at the AFRH-W through attrition. LaGarde was closed and the new units were opened in Scott and Sheridan. Healthcare staff was further reduced for a right-sized resident population. ILP numbers continue to increase with more residents staying independent.

Advancing IT throughout the entire Agency

ONGOING. The EHRS was deployed, although the entire set of functions has yet to be fully deployed. We had a successful transition to the Cloud technology for email and files, but the knowledge-sharing component is yet to be deployed. Some videoconferencing was successfully conducted, however the installation of equipment will take place in FY 2014 for continuous coverage and frequent usage. The AFRH IT strategy was developed and submitted.

Maintaining optimum financial management

ONGOING. The Trust Fund is solvent. Expenses in FY 2013 were less than anticipated. No revenue has yet to be generated through the Washington Master Plan. Some discipline has been added to Internal Controls, but more processes and procedures must be added. The Agency Performance Improvement Integrator (PII) started work to make ongoing process improvements. Emphasis on measures and results is needed in FY 2014.

FY 2013 IMPROPER PAYMENTS

The Improper Payments Information Act (IPIA) of 2002 (PL 107-300), as amended by the Improper Payments Elimination & Recovery Act (IPERA) of 2010, was enacted to elicit estimates and reports of improper payments by Federal agencies.

The Act requires that Federal agencies estimate improper payments and report on actions to reduce them. An improper payment is any payment that should not have been made or that was made in an incorrect amount under statutory, contractual, administrative, or other legally applicable requirements. The Act requires that Federal agencies estimate improper payments and report on actions to reduce them. An improper payment is any payment that should not have been made or that was made in an incorrect amount under statutory, contractual, administrative, or other legally applicable requirements.

Each year, our partner BPD reviews each AFRH business program for improper and erroneous payments. Effective in November 2011, the AFRH transitioned to the Internet Payment Platform that eliminated manual processes and greatly reduce inefficiencies in the approval process.

The process flows from BPD when they catch erroneous payments and correct them. Then, BPD notifies the AFRH Business Office, Contracting Officer's Representatives (CORs), and technicians. In FY 2013 our efforts in improved processes proved successful resulting in no Improper Payments.

AFRH IP Trends:

FY 2013: 0

FY 2012: 0

FY 2011: 4

FY 2010: 2

FY 2009: 179*

FY 2008: 4

FY 2007: 4

FY 2006: 30

FY 2005: 1

*172 by McKesson over 2 fiscal years (detected in FY 2009)

"They are going to have to carry me out of here."

—Mencho Hernandez, (Navy, AFRH-G)



FINAL ASSURANCES

ILLUMINATED

SUMMARY OF FINANCIAL STATEMENT AUDIT

In accordance with OMB Circular No. A-136, Financial Reporting Requirements, Section II.5.7, all Federal agencies are required to present and discuss each material weakness, non-conformance, and non-compliance.

This year, the auditors found no material weaknesses. Management Assurances for FMFIA are presented in the MD&A. The COO is pleased to report that neither non-compliance nor non-conformity is present at the AFRH.

FY 2013 RESULTS: NO MATERIAL WEAKNESSES + FULL COMPLIANCE

VARIOUS ACRONYMS

Acronym	Meaning
AAFES	Army and Air Force Exchange Service
ADA	Americans with Disabilities Act
AL	Assisted Living
ARC	Administrative Resource Center
AFRH	Armed Forces Retirement Home
BFS	Bureau of the Fiscal Service
BPD	Bureau of Public Debt
C&A	Certification and Accreditation
CARF/CCAC	Commission on Accreditation of Rehabilitation Facilities and Continuing Care Accreditation Commission
CCRC	Continuing Care Retirement Community
CFO	Chief Financial Officer
CHCO	Chief Human Capital Officer
CMMS	Computerized Maintenance Management System
CNA	Certified Nursing Assistant
COO	Chief Operating Officer
COR	Contracting Officer's Representative
COTS	Commercial-Off-The-Shelf
CRA	Continuing Resolution Act
CWOA	Chief Warrant & Warrant Officers Association US Coast Guard

Acronym	Meaning
DAPS	Document Automation and Production Service
DAV	Disabled American Veterans
DEIS	Draft Environmental Impact Statement
DEOMI	Defense Equal Opportunity Management Institute
DFAS	Defense Finance and Acquisition System
DHA	Defense Health Agency
DoD	Department of Defense
DOI	Department of Interior
DRMS	Defense Reutilization and Marketing Services
EEO	Equal Employment Opportunity
EFT	Electronic Funds Transfer
EHR	Electronic Health Records System
EMS	Electronic Medical System
ESPC	Energy Savings Performance Contract
FAIR	Federal Activities Inventory Reform
FAR	Federal Acquisition Regulation
FASAB	Federal Accounting Standards Advisory Board
FECA	Federal Employees Compensation Act
FEMA	Federal Emergency Management Agency
FEDInvest	Federal Investment (software application)
FFMIA	Federal Financial Management Improvement Act
FISMA	Federal Information Security Management Act

Acronym	Meaning	Acronym	Meaning
FMFIA	Federal Managers Financial Integrity Act	NPSG	National Patient Safety Goals
FTE	Full-time Equivalents	O & M	Operations and Maintenance
FY	Fiscal Year	OIG	Office of the Inspector General
GAAP	Generally Accepted Accounting Principles	OMB	Office of Management and Budget
GPRA	Government Performance and Results Act	OPM	Office of Personnel Management
GPRMA	Government Performance and Results Modernization Act	OSD	Office of the Secretary of Defense
GSA	General Services Administration	OSHA	Occupational Safety and Health Administration
HCMR	Human Capital Management Report	PC	Personal Computer
HCSP	Human Capital Strategic Plan	PI	Performance Improvement
HSPD-12 PIV	Homeland Security Presidential Directive 12 - Personal Identification Verification	PII	Performance Improvement Integrator
IBC	Interior Business Center	PMD	Power Mobility Device
ICB	Internal Control Board	PPE	Property, Plant, and Equipment
IG	Inspector General	QIP	Quality Improvement Plan
IL	Independent Living	RAC	Resident Advisory Committee
ILP	Independent Living Plus Pilot	RADM	Rear Admiral
IPAC	Intragovernmental Payment and Collection System	RFP	Request for Proposal
IPERA	Improper Payments Elimination and Recovery Act 2010	RFQ	Request of Qualification
IPIA	Improper Payments Information Act 2002	RIS	Resident Information System
IT	Information Technology	RN	Registered Nurse
IP	Internet Protocol	SAS	Statement on Auditing Standards
JFMIP	Joint Financial Management Improvement Act	Seabees	Naval Construction Battalion
KHC	King Health Center	SHCP	Strategic Human Capital Plan
LEED	Leadership in Energy and Environmental Design	SF	Square Feet
LPN	Licenses Practical Nurse	SME	Subject Matter Experts
LRFP	Long Range Financial Plan	SOP	Standard Operating Procedure
LTC	Long Term Care	SSAE	Statement on Standards for Attestation Engagements
MCOC	Management Control Oversight Council	SSG	Service Study Group
MEO	More Efficient Organization	STAR	Systems Time and Attendance Report
MS	Memory Support	TeamSTEPPS	Team Strategies and Tools to Enhance Performance and Patient Safety
NCPC	National Capital Planning Commission	TMA	Tricare Management Activity
NAVFAC	Naval Facilities	TREA	The Retired Enlisted Association
NCOA	Non Commissioned Officer Association	USC	United States Code
NDAA	National Defense Authorization Act	USSGL	US Standard General Ledger
NFC	National Finance Center	VA	Veterans Administration
		VSO	Veteran Service Organization



“Some residents compete in the games just to get a shirt.”

—Charlie Baird (Navy, AFRH-G)



One AFRH-G resident donated an expensive, cutting-edge embroidery machine. So, Charlie researched how to operate it. “It has an instructional software program. Still, it’s been ‘learn as I go.’”

First Charlie designs the artwork on his computer. Then the machine reads the image and stitches the design onto a shirt.

Charlie recently designed shirt patches for the Spring and Fall Games at the AFRH-G. Those who participate in

four or more games get shirts. “It really gets residents excited to participate in the games when they see these nice shirts. It makes them feel special.”

He also makes time to volunteer for the Fleet Reserve Association, which is comprised of retired and active duty service members who lobby for improved benefits.

SPECIAL THANKS

OVERJOYED

The AFRH is a special place where residents, staff, family members, partners, volunteers, and contractors all gather together to share memories, celebrations, happiness, ideas, camaraderie, and support. Our lives are enriched by our daily encounters at both of our similar, yet unique Homes.

So, in closing, we wish to thank each and every person who gave time and energy from his or her busy life to support the AFRH. We could not have achieved so much this year without you.

Thanks, Partner.

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