

**SOCIAL HOUSING FINANCE CORPORATION (SHFC)**  
**Validation Result of the 2019 Performance Scorecard**

	Component				SHFC Submission		GCG Validation		Supporting Documents	GCG Remarks	
	Objective/Measure	Formula	Weight	Rating Scale	Target	Actual	Rating	Actual	Rating		
SOCIAL IMPACT	SO 1 Improve the Quality of Life of the Informal Settler Families and Low Income Filipinos through the Provision of Housing Finance										
	SM 1	Increase Number of ISFs Provided with Housing Finance Assistance	Absolute Number	35%	(Actual / Target) x Weight Less Than 19,438 = 0%	25,000 <sup>1</sup>	31,903	35%	8,810	0%	Summary Report on CMP, HDH and Marawi Shelter Projects Master List of Member Beneficiaries Disbursement Vouchers Checks Budget Utilization Request Forms Copies of Contract Target not met. Inconsistencies were observed between the summary report and the submitted supporting documents in some of the accounts. The details of the validation are presented in <b>Appendix 1</b> .
	<b>Sub-total</b>			<b>35%</b>				<b>35%</b>		<b>0%</b>	
STAKEHOLDERS	SO 2 Ensure Customer Satisfaction through the Provision of Quality Service										
	SM 2	Percentage of Satisfied Customers ( <i>Pre-Takeout</i> ) <sup>2</sup>	Number of Stakeholders who gave a Rating of at least Satisfactory / Total Number of Respondents	5%	(Actual / Target) x Weight If Less Than 80% = 0%	90%	93.36%	10%	Result not acceptable	0%	CSS Report Samples of Accomplished Survey Forms Certification from UP-NCPAG Target not met. The result was deemed not acceptable based on the following observations: a. Survey dates could not be established; b. Survey did not follow the prescribed criteria for choosing respondents;

<sup>1</sup> Based on SHFC's representation that available funds for 2019 will amount to only P5 Billion, consistent with the 2019 National Expenditure Program (NEP) allotment of P800 Million for SHFC and the NEP Special Provision authorizing SHFC to utilize its subsidy released in 2017 and prior years.

<sup>2</sup> It should be noted that the survey questionnaire transmitted only includes services offered during pre-take out activities. This considered, the measure is split into Percentage of Satisfied Customers (Pre-Takeout Services) and Percentage of Satisfied Customers (Post-Takeout Services) with a 5% weight allotted for each measure. This is consistent with the validations conducted in 2018.

Objective/Measure		Component				SHFC Submission		GCG Validation		Supporting Documents	GCG Remarks
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											c. Survey methodology was not specified in the report; and d. Details provided for the data quality controls implemented were insufficient.
		<u>Percentage of Satisfied Customers (Post-Takeout)</u>	<u>5%</u>		90%			Survey not conducted	0%	Certification from UP-NCPAG	Per the Certification issued by UP NCPAG, the conduct of the CSS for post-takeout services was overtaken by events, particularly the COVID-19 pandemic. However, it should be noted that the first case of COVID-19 in the country was registered in 2020 and the imposition of community quarantine started in March 2020. The CSS covers services rendered in 2019, the survey should have been conducted in 2019. It should be noted that the 2018 CSS Result was deemed non-compliant due to the belated conduct of the survey in April 2019. <b>Notably, the same findings made for the 2018 CSS are observed in the 2019 CSS.</b>
<b>Sub-Total</b>			<b>10%</b>				<b>10%</b>		<b>0%</b>		

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Objective/Measure		Formula	Weight	Rating Scale	Target	Actual	Rating	Actual	Rating			
<b>FINANCE</b>	SO 3	Enhance Financial Viability										
	SM 3	Improve Collection Efficiency Rate	Total Collection (Excluding Advances and Penalties) / Total Billing	10%	84% and Above = 10% 78 to 83% = 5% Lower than 78% = 0%	84%	82.38%	5%	74%	0%	Monthly Collection Efficiency Reports (Consolidated and per Branch) SHFC-Computed Collection Efficiency Rating	Target not met. The CER was computed based on total collection amounting to ₱832,747,478 and total billing equivalent to ₱1,125,270,688. The reported and validated accomplishment exclude fully paid accounts, accounts with titles released to NHMFC, and accounts with more than 60 months of arrears (under remedial and legal).
	SM 4	Increase Net Operating Income (Before Tax and Subsidy)	Revenues - Expenses	10%	(Actual / Target) x Weight Below ₱106.38 Million = 0%	₱140 Million	₱224.20 Million	10%	₱224.20 Million	10%	2019 COA Audited Financial Statements	Target exceeded. The net operating income was computed based on revenues amounting to ₱846.009 Million and expenses equal to ₱621.805 Million.
	SM 5	Improve Budget Utilization Rate	Total Disbursement (net of PS) / Total DBM Approved Corporate Operating Budget (net of PS)	10%	All or Nothing	Not Less Than 90% But Not More Than 100% of the DBM-Approved Corporate Operating Budget	99.71% Budget Utilization Rate	10%	99.71%	10%	Internally Generated Budget Utilization Report DBM-Approved 2019 COB 2019 COA Audited Financial Statements	Target met. The BUR was computed based on a utilization of ₱2,986.169 Million from the total approved budget of ₱2,994.979 Million.  However, the Governance Commission notes the COA Observation <sup>3</sup> that the utilization of Loans Outlay exceeded by ₱50.962

<sup>3</sup> Item 14 of the Observations and Recommendations

Validation Result 2019 Performance Scorecard (Annex A)

		Component					SHFC Submission		GCG Validation		Supporting Documents	GCG Remarks
Objective/Measure		Formula	Weight	Rating Scale	Target	Actual	Rating	Actual	Rating			
											Million vis-à-vis the DBM-approved COB. SHFC explained that the acquired projects were already accounted for in the proposed COB of ₱13.455 Billion but the DBM only approved by ₱2.509 Billion. However, COA emphasized that SHFC should only incur expenditures up to the extent of the DBM-approved budget.	
<b>Sub-Total</b>			<b>30%</b>				<b>25%</b>		<b>20%</b>			
<b>INTERNAL PROCESS</b>	<b>SO 4</b>	<b>Integrate and Upgrade Support Systems</b>										
	SM 6	Improve Support Systems for Effective and Efficient Processes	Actual Accomplishment	10%	All or Nothing	100% Implementation of Phase II of the ISSP <sup>4</sup>	100% Implementation of the ISSP Phase II	10%	100% Implementation of Phase II of the ISSP	10%	Document Acceptance and Release Notices for all implemented systems Samples of System-Generated Reports Screenshots of the implemented Systems	Target met.
<b>Sub-Total</b>			<b>10%</b>				<b>10%</b>		<b>10%</b>			
<b>LEADER</b>	<b>SO 5</b>	<b>Implement Quality Management System</b>										

<sup>4</sup> Includes the development and roll-out of the following systems: (a) Financial Management System (Phase 2); (b) Inventory Management System; (c) Document and Knowledge Management System; (d) SHFC Portal; and (e) Kiosk.

## Validation Result 2019 Performance Scorecard (Annex A)

Component						SHFC Submission		GCG Validation		Supporting Documents	GCG Remarks
Objective/Measure		Formula	Weight	Rating Scale	Target	Actual	Rating	Actual	Rating		
SM 7	Attain Quality Management Certification	Actual Accomplishment	10%	All or Nothing	Attain ISO 9001:2015 Recertification	The SHFC ISO 9001:2015 Certification was issued by SOCOTEC Certification Philippines, Inc. last December 19, 2019.	10%	ISO 9001:2015 Certification attained	10%	ISO 9001:2015 Certification issued by SOCOTEC	Target met.
<b>SO 6</b>		<b>Elevate Personnel Competency</b>									
SM 8	Percentage of Identified Employees with Competency Gaps Addressed	Actual Accomplishment	5%	(Actual / Target) x Weight	At Least One (1) Competency Gap Closed for 100% of Employees with Competency Gaps (Based on the 2017 Competency Assessment)	Competency Gap Closed for 134 out of 180 employees	3.72%	Competency Gap Closed for 134 out of 180 employees or 74.44%	3.72%	2017 and 2019 Competency Assessment Report Training Certificates Attendance Sheets	Target not met.
<b>Sub-Total</b>			<b>15%</b>				<b>13.72%</b>		<b>13.72%</b>		
<b>TOTAL</b>			<b>100%</b>				<b>93.72%</b>		<b>43.72%</b>		

**DETAILS ON THE VALIDATION OF STRATEGIC MEASURE 1: INCREASE NUMBER OF ISFS PROVIDED WITH HOUSING FINANCE ASSISTANCE**

Program	As reported by SHFC	As validated by GCG	Remarks
	No. of ISFs	No. of ISFs	
<b>CMP</b>	29,718	7,670	
<i>Lot Acquisition</i>	22,048	<i>Cannot be validated</i>	Based on the summary list provided, there were 114 projects in 2019 for lot acquisition with a total of 22,048 ISF beneficiaries. Of the total projects, the project mobilized by LGU Antipolo Resettlement Housing Project (PEPCOTEK) registered the highest number of beneficiaries of 3,087 ISFs. This considered, the PEPCOTEK was identified by the CGO-A as "sample" to determine the accuracy of the report.  In the submitted List of Final Beneficiary <sup>1</sup> for the PEPCOTEK, signed by its President and Mobilizer, only 1,158 were listed or identified as beneficiaries. CGO-A requested for justification and additional supporting documents, however, SHFC failed to comply with the request.  Considering the inaccurate report based on the validation of sample transaction, the reported accomplishment cannot be accepted.
<i>Site Development</i>	4,537	4,537	Acceptable. Consists of 9 projects.
<i>House Construction</i>	3,133	3,133	Acceptable. Consists of 9 projects.
<i>Loan Assistance</i>	-	-	
<b>HDH</b>	<b>1,140</b>	<b>1,140</b>	
<i>Lot Acquisition</i>	640	640	Acceptable. Total beneficiaries for 2 projects.
<i>Site Development and Building Construction</i>	395	395	Acceptable. Total beneficiaries for 2 projects.
<i>Refinancing</i>	105	105	Acceptable. For 1 project.
<b>Marawi Special Project (MSP)</b>	<b>1,045</b>	<b>Cannot be validated</b>	
<i>Lot Acquisition</i>	936	<i>Cannot be validated</i>	Based on the summary list submitted this project covers properties of Paisal Rodi (801 ISFs) and Lacsaman Ampuan (135 ISFs) for a total of 936 ISFs beneficiaries which also covers ISFs from waterways/danger areas. As supplementary document, SHFC submitted the

<sup>1</sup> Pages 34-60 of submission per letter dated 25 August 2020 attachment filename: SM 1\_Lot Acquisition.

APPENDIX 1

Program	As reported by SHFC	As validated by GCG	Remarks
	No. of ISFs		
			batch lists in excel format listing the names of the beneficiaries. However, unlike the other batch lists submitted, the batch list for this project does not contain any other information such as the lot allocation per beneficiary <sup>2</sup> . SHFC re-submitted the batch lists but were not signed <sup>3</sup> . Moreover, in its submitted copy of Disbursement Vouchers (DVs) <sup>4</sup> , the number of homepartners / Internally Displaced Persons indicated is 1,500 each for the two properties. The said figures were inconsistent with the reported accomplishment and no other supporting documents were provided to support or explain the figures reflected in the DVs.
<i>Site Development and Building Construction</i>	109	<i>Cannot be validated</i>	This project covers the site development and construction in Lacsaman Ampuan's property. As provided in the summary report, the beneficiaries identified are from Agus Malangas HOAI (37 ISFs), Saduc Riverside HOAI (48 ISFs), and Members from formal Sector (24 ISFs).  As supplementary document, SHFC submitted the batch lists in excel format listing the names of the beneficiaries. However, unlike the other batch lists submitted, the batch list for this project does not contain any other information such as the lot allocation per beneficiary. SHFC submitted the list of beneficiaries for Agus Malangas and Saduc Riverside but were unsigned. Also, no list was submitted for the members from the formal sector.
<b>TOTAL</b>	<b>31,903</b>	<b>8,810</b>	

<sup>2</sup> Pages 574-703 of submission letter dated 30 July 2020 attachment filename: SM 1.

<sup>3</sup> Submission per email dated 11 November 2020, file name: MSP – Agus Malangas, Saduc Riverside, and HOAs.

<sup>4</sup> Submission per email dated 11 November 2020, file name: DV\_Rodi and DV\_Ampuan