

Social Housing Finance Corporation
BDO Plaza, 8737 Paseo De Roxas, Makati City

AGENCY ACTION PLAN and STATUS OF IMPLEMENTATION

Audit Observations and Recommendations

For the Calendar Year 2021

As of June 2022

Ref.	Audit Observations	Audit Recommendations	Agency Action Plan			Status of Implementation	Reason for Partial/Delay/Non-Implementation	Action Taken/Action To Be Taken
			Action Plan	Person/Dept Responsible	Target Implementation Date			
6	<p>ESA amounting to P5.390 million sourced from the DSWD trust fund was granted to seventy-seven (77) substitute MBs without securing prior approval from DSWD on the amendment of the original list of MBs, contrary to Section 1.1 of Article III of the MOA between DSWD and SHFC. This casts doubt on the eligibility of the substitute beneficiaries as the rightful recipients of the program.</p>	<p>a. Submit the required documents to DSWD and secure a written approval from the DSWD Secretary on the changes in the list of beneficiaries of the ESA; and</p> <p>b. Require the HOA to submit to SHFC the documentary requirements for the actual recipients of the ESA, who are substitutes of those in the original list of MBs, to avoid unauthorized substitution of the original MBs including the certification issued by the LHIAC.</p>	<p>Send a letter to the DSWD to seek their approval on the changes in the intended beneficiaries of the ESA.</p>	<p>Operations Group</p>	<p>-</p>	<p>Partially Implemented</p> <p>Fully Implemented</p>	<p>-</p>	<p>SHFC Management sent a letter dated 14 March 2022 to the DSWD Secretary to explain and request his conforme on SHFC's substantial compliance with the MOA, including the eligibility of the substitute grantees who were all Typhoon Sendong victims. Constant follow-up with DSWD on the development of the request is being done. SHFC's CDO Branch is likewise coordinating with</p>

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								<p>the Regional DSWD regarding this matter.</p> <p>Attached as Annex A are the copies of the Board Resolutions from the HOAs regarding the approval of the substitute member beneficiaries for the DSWD Shelter Assistance. The Certification and Minutes of the 1st LHIAC Meeting are attached as Annex B.</p>
7	<p>The High Density Housing (HDH) Project for the Phase II (Site Development and Housing Construction) of a Community Association (CA) with a project cost of P222.705 million funded by the Department of the Interior and Local Government (DILG) Trust Fund was not completed within the scheduled date, contrary to the provisions of SHFC Corporate Circular</p>	<p>a. Institute measures to ensure timely completion of all projects such as:</p> <p>i. Assign an engineer for each project who will monitor its timely completion within the agreed period as stated in the BCSDA to prevent additional loan funding or non-completion of the project; and</p> <p>ii. Prospectively, devise a template to document the turn over of the project monitoring by the personnel assigned</p>	<p>Inform the CA on the status of the project and provide possible actions to be taken.</p>	<p>HDH-North Unit</p>	<p>-</p>	<p>Fully Implemented</p>	<p>The contractor requested additional funds to cover the additional work and the price escalation of construction materials.</p>	<p>The SHFC HDH Unit assigned three (3) engineers to monitor the timely completion of the projects. The HDH Unit also revised the template for the</p>

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	<p>No. 13-026 and Building Construction and Site Development Agreement and Notice to Proceed, depriving the intended 546 ISF-beneficiaries living in waterways and danger zones of decent and affordable housing, defeating the objectives of the Program and the possible non-recovery of funds invested in housing.</p>	<p>who was reshuffled to another department, to include, among others, the detailed list of documents and status of work to be reviewed and approved by their immediate supervisor to ensure continuity of work, and orderly and formal turnover.</p> <p>b. Require the CA to implement the following remedies against the Contractor as provided in Article XIV of the BCSDA:</p> <p>i. Give a written notice to the Contractor to proceed with the work and to perform what is in the agreement; and</p> <p>ii. If the Contractor fails to perform the work within seven days from receipt of the written notice, the CA and SHFC shall have the option to proceed against the bond and enter the premises and employ another contractor to complete the work at the expense of Contractor A.</p> <p>c. Require the CA to compute for and demand the payment of liquidated damages from the Contractor, pursuant to Article XII of the BCSDA;</p>				<p>Partially Implemented</p>	<p>turn-over of HDH Accounts to properly monitor the status of the projects. Attached as Annex C is the provisional template.</p> <p>The Management has already informed the HOA on the status of the project such as the work stoppage and request for additional funds by the Contractor. However, the HOA has manifested their intention to continue to tap the services of the present Contractor. The HOA also conducted a general assembly and agreed on the request for</p>	

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								<p>additional funds to be shouldered by them.</p> <p>ACTIONS TO BE TAKEN:</p> <p>The HDH will inform the HOA about the proposed increase in their loan amount for their endorsement and approval. Once confirmed by the HOA, it will be submitted to the Board for approval.</p> <p>SHFC-DILG Monitoring A monthly update/meeting has been instituted with DILG last February 2022 to closely monitor the status of Alpas 2.</p> <p>Attached as</p>

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		<p>d. Submit to the Audit Team updated Accomplishment Report of the Contractor duly validated by the Department of Engineering of SHFC; and</p> <p>e. Require the Contractor to submit to the HDH Team in charge of the Project the documentation on the renewal of the performance bond as protection of SHFC from concerns such as contractors being insolvent before finishing the contract.</p>				<p>Fully Implemented</p> <p>Partially Implemented</p>	<p><i>Annex D</i> are the letters sent to the HOA and contractor.</p> <p>The Project Valuation Report dated 23 June 2021 and the Project Status Report dated 22 June 2022 are attached as <i>Annexes E</i> and <i>F</i>, respectively.</p> <p>During the coordination meeting with the contractor, SHFC reminded them of the performance bond renewal. As of date, SHFC is waiting for the submission from the contractor.</p>	
8	The lands costing P43.036 million for the Marawi site development housing projects turned over and awarded to the home partners/beneficiaries are not yet supported with Transfer	<p>a. Facilitate the transfer of the ownership of the land to SHFC to hasten the individualization of the titles in the name of the qualified home partners/beneficiaries; and</p> <p>b. Enhance the policy guidelines on Marawi</p>	(a, b, and c) Comply with the recommendations.	Recovery Projects Department	-	Partially Implemented	-	The timeline is already considered in the original guidelines. As stated in the

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	Certificate of Titles (TCT) registered in the name of SHFC, contrary to MSP Corporate Circular No. 19-001, resulting in the delay of the individualization of titles and the risk of loss of funds invested in housing in case of third-party claimants.	<p>Shelter Project by providing timeline within which the landowner/seller shall comply to the requirements stated in MSP Circular No. 19-001; and</p> <p>c. As part of due diligence for future purchases of lot intended for housing projects, ensure that the lot to be purchased is properly inspected particularly the boundaries of the lots to prevent third party claimants.</p>				<p>Fully Implemented</p> <p>Fully Implemented</p>	<p>guidelines, the succeeding payments shall only be released upon the landowners' compliance with the requirements. However, it may be noted that the release/ submission of certain requirements to facilitate the individualization of titles is beyond the control of the Corporation as well as the landowners.</p> <p>SHFC is then exerting its effort to solicit the assistance of the LGU and other National Government Agencies to assist in the</p>	

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								<p>transfer of title/s in the name of SHFC and eventually in the name of the beneficiaries.</p> <p>On item c, the Project Steering Committee (PSC), an inter-agency body that serves as the project advisory group, provides policy advice and guidance in the implementation of the Project to ensure the consistency of the outcomes with the policies and priorities of the Philippine government and responsiveness to the needs of the partner families and</p>

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								<p>communities. The PSC has established and approved the guidelines on site selection for the Marawi Shelter Project. When the initial two (2) properties were purchased, SHFC and the rest of the members of the Sub-committee strictly adhered to the guidelines for site selection. When the issue of claims occurred, the Corporation instituted another measure to ensure that there were no claimants on the 3rd property to be purchased for the project.</p>

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								SHFC placed a signage on the property to be purchased to serve as public notice that the property is being subjected to a sale to the Government and those who would like to file a claim may do so. Attached as Annex G is the Site Selection Guidelines for the MSP.