



25 March 2020

MR. EDUARDO D. DEL ROSARIO
*Secretary, Department of Human Settlements
 and Urban Development (DHSUD)
 and SHFC Chairperson*

ATTY. ARNOLFO RICARDO B. CABLING
President

SOCIAL HOUSING FINANCE CORPORATION (SHFC)
 BDO Plaza, 8737 Paseo de Roxas
 Salcedo Village, Makati City

**RE : REVALIDATION OF THE 2018 PERFORMANCE
 SCORECARD OF SHFC**

Dear Chairperson Del Rosario and President Cabling,

This is in reference to the letter of SHFC dated 16 January 2020¹, 04 February 2020², and 07 February 2020³ submitting the necessary supporting documents for the reconsideration of the following strategic measures (SMs) under SHFC's validated 2018 Performance Scorecard:

- **SM 1:** *Utilize Housing Subsidies for the Provision of Shelter Security and Improved Housing Quality*
- **SM 2:** *Percentage of Satisfied Customers*
- **SM 6:** *Improve Support Systems for Effective and Efficient Processes*
- **SM 8:** *Percentage of Employees Meeting Required Competencies*

In addition, the SHFC asked for clarification regarding the rating they received for *SM 5: Improve Budget Utilization Rate*. For this request, please be informed that the Governance Commission utilized data from various sources. Specifically, the data used for the computation are presented below:

<i>(in million pesos)</i>	Revalidation		Remarks
	DBM-Approved COB	Utilization	
MOOE	350.29	238.11	Audited Income Statement
Capital Outlay	129.11	53.41	Sum of transactions as presented in the submitted Capital Outlay Ledger
Loans Outlay	2,000.00	1,694.20	Consistent with the result of validation of SM 1
<i>Total</i>	<i>2,479.40</i>	<i>1,985.72</i>	
BUR		80.09%	

¹ Officially received by the Governance Commission on 17 January 2020.

² Officially received by the Governance Commission on 04 February 2020.

³ Officially received by the Governance Commission on 07 February 2020.

Anent the request for reconsideration of the above-mentioned SMs, the review and evaluation of additional documents submitted, including the 2019 Commission on Audit (COA) Annual Audit Report of SHFC, are summarized in the “*Result of Revalidation of 2018 Performance Scorecard*” attached as **Annex A**.

Based on the re-evaluation of the Governance Commission, the validated score of SHFC’s 2018 Performance Scorecard of 25% is hereby **INCREASED** to **50.56%**. However, despite the increase in the total score, SHFC still failed to achieve the required weighted-average score of at least 90% in its 2018 Performance Scorecard. We take this opportunity to remind SHFC that the revalidated Performance Scorecard shall be posted in SHFC’s website, in accordance with GCG Memorandum Circular No. 2012-07⁴.

FOR YOUR INFORMATION AND GUIDANCE.

Very truly yours,


SAMUEL G. DAGPIN, JR.
Chairman


MICHAEL R. CLORIBEL
Commissioner


MARITES C. DORAL
Commissioner

⁴ CODE OF CORPORATE GOVERNANCE OF GOCCs, dated 28 November 2012.

SOCIAL HOUSING FINANCE CORPORATION (SHFC)
Revalidation Result of the 2018 Performance Scorecard

Component					SHFC Submission		GCG Revalidation		Supporting Documents	GCG Remarks	
Objective/Measure	Formula	Weight	Rating System	Target	Actual	Rating	Score	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	Utilize Housing Subsidies for the Provision of Shelter Security and Improved Housing Quality	Absolute Number	35%	$\frac{\text{Actual}}{\text{Target}} \times \text{Weight}$	24,000	15,201	0%	13,186	19.23%	<ul style="list-style-type: none"> • Summary of Loans Released • List of Community Mortgage Program Projects • List of High Density Housing Projects • Checks and Batch Lists of Housing Projects • <u>Board Resolution No. 809, Series of 2019</u> <p><u>Request for reconsideration GRANTED.</u> <u>However, the actual accomplishment is still below target.</u></p>
	Sub-total		35%				0%		19.23%		
STAKEHOLDERS	SO 2	Ensure Customer Satisfaction through the Provision of Quality Service									
	SM 2	<u>Percentage of Satisfied Customers (Pre-Takeout Services)</u>	Number of Stakeholders who gave a Rating of at least Satisfactory / Total Number of Respondents	5%	$\frac{\text{Actual}}{\text{Target}} \times \text{Weight}$ If Less Than 80% = 0%	90%	82.5%	-	<u>Result not acceptable</u>	0%	<ul style="list-style-type: none"> • <u>Memorandum on the 2018 Client Satisfaction Survey Milestones</u> • <u>Certification from UP National College of Public Administration and Governance (UP NCPAG)</u> <p><u>Considering the representations presented, the Governance Commission resolved to provide two measures to capture post and pre-take out services of SHFC.</u></p> <p><u>However, the request for reconsideration of the rating is denied due to non-compliance with certain</u></p>
		<u>Percentage of Satisfied Customers (Post-Takeout Services)</u>		5%		90%	89.5%	-	<u>Result not acceptable</u>	0%	

Revalidation Result of the 2018 Performance Scorecard (Annex A)

Component					SHFC Submission		GCG Revalidation		Supporting Documents	GCG Remarks		
Objective/Measure	Formula	Weight	Rating System	Target	Actual	Rating	Score	Rating				
									<ul style="list-style-type: none"> • <u>Letter from UP NCPAG on the Submission of the Deliverables</u> • <u>CSS Final Report</u> 	<u>provisions of the GCG Standard Methodology rendering the results unacceptable. Particularly: (1) the survey did not follow the prescribed criteria for choosing respondents, (2) survey was conducted until April 2019; and (3) SHFC's modification of survey questionnaire for the post-take out services showed that the question on overall satisfaction was placed on the last part of the 14-page survey.</u>		
		Sub-total							0%			
FINANCE	SO 3	Enhance Financial Viability										
	SM 3	Improve Collection Efficiency Rate	Total Collection (Excluding Advances) / Total Billing	10%	84% and Above = 10% 78 to 83% = 5% Lower than 78% = 0%	84%	69.05%	0%	69.05%	0%	<ul style="list-style-type: none"> • SHFC-Computed Collection Efficiency Rating 	The reported actual is acceptable. However, the target and minimum accomplishment were not met.
	SM 4	Increase Net Operating Income (Before Tax and Subsidy)	Revenues - Expenses	10%	(Actual / Target) x Weight Below ₱41.24 Million = 0%	₱120 Million	₱221.33 Million	10%	<u>₱76.01 Million</u>	<u>6.33%</u>	<ul style="list-style-type: none"> • <u>COA Annual Audit Report</u> 	<u>Based on the 2018 COA AAR, SHFC's accomplishment is below the target.</u>

Revalidation Result of the 2018 Performance Scorecard (Annex A)

Component					SHFC Submission		GCG Revalidation		Supporting Documents	GCG Remarks		
Objective/Measure		Formula	Weight	Rating System	Target	Actual	Rating	Score			Rating	
	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%	67.74%	0%	80.09%	0%	<ul style="list-style-type: none"> Internally Generated Budget Utilization Report DBM-Approved 2018 COB Batch Lists of Housing Projects <u>Capital Outlay General Ledger</u> <u>COA Annual Audit Report</u> 	The actual validated accomplishment is below the target.
		Sub-total		30%				10%		6.33%		
INTERNAL PROCESS	SO 4	Integrate and Upgrade Support Systems										
	SM 6	Improve Support Systems for Effective and Efficient Processes	Actual Accomplishment	10%	DICT-approved ISSP = 5% Implementation of Phase I of the DICT-approved ISSP = 5%	DICT-approved ISSP Implementation of Phase I of the DICT-approved ISSP	SHFC's ISSP Approved by DICT ISSP Phase I Fully Implemented	10%	<u>SHFC's ISSP Approved by DICT</u> <u>ISSP Phase I Fully Implemented</u>	10%	<ul style="list-style-type: none"> Endorsement Letter from DICT Copy of Certificate of Compliance from DOST-ASTI Copies of Document Acceptance and Release Notice <u>Internal Memorandum dated 21 February 2019</u> 	<u>Request for reconsideration GRANTED.</u> <u>The actual revalidated accomplishment is in line with the target.</u>
		Sub-total		10%				10%		10%		
LE AR	SO 5	Implement Quality Management System										

Revalidation Result of the 2018 Performance Scorecard (Annex A)

Component						SHFC Submission		GCG Revalidation		Supporting Documents	GCG Remarks
Objective/Measure		Formula	Weight	Rating System	Target	Actual	Rating	Score	Rating		
SM 7	Attain Quality Management Certification	Actual Accomplishment	10%	All or Nothing	Attain ISO 9001:2015 Certification	ISO 9001:2015 Certified	10%	ISO 9001:2015 Certified	10%	<ul style="list-style-type: none"> ISO 9001:2015 Registration Certificate 2018 Surveillance Audit Report 	The actual validated accomplishment is in line with the target.
SO 12	Elevate Personnel Competency										
SM 8	Percentage of Employees Meeting Required Competencies	Actual Accomplishment	5%	All or Nothing	100% Completion of all Competency Based Description (Note: Set Competency Baseline by 2019)	211 out of 211 Position Titles with Competency Based Job Description	5%	<u>211 out of 211 Position Titles with Competency Based Job Descriptions</u>	<u>5%</u>	<ul style="list-style-type: none"> Certification from Human Resources Department Summary of Position Titles Copies of Job Descriptions <u>Current Table of Organization</u> 	<u>Request for reconsideration GRANTED.</u> <u>The actual revalidated accomplishment is in line with the target.</u>
		Sub-total	15%				15%		15%		
		TOTAL	100%				35%		50.56%		