

**ISO 9001:2008
READINESS ASSESSMENT
on the
Quality Management System
of the

SOCIAL HOUSING FINANCE
CORPORATION**

December 14-16, 2015

SCOPE OF THE QUALITY MANAGEMENT SYSTEM:

- **PROVISION OF SHELTER FINANCING SERVICES TO THE HOMELESS AND UNDERPRIVILEGED**

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I. RATIONALE

The Readiness Assessment was carried out as part of the overall project deliverables designed by the Development Academy of the Philippines (DAP) to ensure adequate institution of the structure and mechanisms to implement a Quality Management System (QMS) for the Social Housing Finance Corporation's (SHFC) purpose and context for ***provision of shelter financing services to the homeless and underprivileged.***

The readiness review for the QMS-related preparation activities intends to affirm and provide conclusion on the current position of SHFC operations on its QMS scope in relation to the key criteria of an organization with an ISO 9001 certifiable quality management system.

II. ASSESSMENT OBJECTIVES

Specifically, the activity was undertaken to determine the extent of conformance against the requirements of ISO 9001:2008 of the QMS scope of SHFC. It also aims to identify opportunities for improvement on the current practice and documentation to bring about an effective approach in implementing a QMS. Further, in carrying out the readiness assessment, the activity will provide opportunity for the audited management and staff of SHFC to:

1. Recognize the adequacy of the current QMS documentation against the requirements of ISO 9001:2008;
2. Determine the levels of accuracy of SHFC's documented statements against the actual practices;
3. Identify existing gaps, if there are any, between the established QMS and ISO 9001 standard requirements; and
4. Understand and prepare for the kind of auditing approach to be used by the third party auditors.

III. ASSESSMENT SCOPE

The Readiness Assessment, which was carried out from December 14 to 16, 2015, covered the various groups, departments and units on its main office located at BDO Plaza, 8737 Paseo de Roxas Avenue, Makati City. Refer to the table below for guidance in the assessment itinerary:

Date of Assessment	Office / Area
December 14, 2015	<ul style="list-style-type: none">• Public Affairs Department• Loan Processing – OVP – Luzon• Project Accreditation, Evaluation and Monitoring Dept.• Loan Examination Department• Technical Services Department• Mortgage Examination Department• Accounts Management Department• Project Individualization Department
December 15, 2015	<ul style="list-style-type: none">• Compliance and Risk Management• Legal Services• Top Management• OEVP – Improvement Management

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	<ul style="list-style-type: none">• Financial Management• Localized Community Mortgage Program Department• Quality Management Representative• Documentation, Control and Custodianship Department• Cash Management Department• Planning Department• Internal Audit• Task Force on Remedial Management
December 16, 2015	<ul style="list-style-type: none">• Human Resources Division• Procurement Division• Documentation Management• Infrastructure Management• Insurance Unit• Information Services Department• Trust Administration Department• High Density Housing

IV. ASSESSMENT PROCESS

The Readiness Assessment was carried out by the DAP Assessment Team, represented by Mr. Antonio P. Santos, an ISO Specialist, with Ms. Samantha Sheane Chico of the Service Quality Division of the Development Academy of the Philippines' Center for Quality and Competitiveness.

The undertaking was conducted consistent with the auditing principles as specified in ISO 19011:2011 – Guidelines for Auditing Management Systems. The conduct of the audit was carried out in accordance with the previously developed Final Gap Assessment Itinerary.

The offices and processes relevant to the QMS scope of SHFC's QMS were audited in these approaches:

1. Review of Documents – assessment of SHFC's QMS documents to determine whether information contained within the documents are:
 - a. Complete (all ISO 9001 expected documents are available),
 - b. Correct (the content of the documents conforms to relevant standards and regulations),
 - c. Consistent (document is consistent in itself and with related documents),
 - d. Current (the content is up to date);
2. Interviews – means of collecting information to evaluate the management and staff's understanding for implementing and supporting SHFC's Quality Management System and its associated documents and records;
3. Sampling of Records – to determine whether the statements contained within SHFC's documents are consistently performed and whether performed activities are effective in achieving the planned results.

V. SUMMARY OF FINDINGS

The overall impression reached as a result of the Readiness Assessment is that SHFC's QMS and its processes demonstrate an adequate and compliant

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documentation and implementation. The planned activities and planned results of the QMS processes are reasonably well managed through the established Quality Manual, Procedures, Corporate Circulars and Operational Guidelines.

The results of the evaluation of the collected Audit Evidences against the Audit Criteria on SHFC's expanded QMS are classified into either Conformity or Nonconformity. The nonconformity finding is further graded (i.e. Minor NC or Major NC) to indicate the degree of criticality to enable SHFC's management to determine which of the items should need prior attention in implementing the appropriate actions.

The specific audit findings definitions are as follows:

Conformity	fulfillment of a requirement (<i>ISO 9000:2005, definition 3.6.1</i>)
Nonconformity (NC)	Non-fulfillment of a requirement (<i>ISO 9000:2005, definition 3.6.2</i>)
Minor NC	isolated, inconsistent failure to fulfill the specified QMS requirements or audit criteria
Major NC	absence of or total breakdown of a system to meet an ISO 9001 or legal requirement <i>A number of Minor NCs against one requirement can represent a total breakdown of the system and thus be considered a Major NC.</i>

Whether findings are ruled as conformity or nonconformity, the DAP assessors have noted Opportunities for Improvement (OFI) for SHFC's consideration. Good Practices, which merit recognition, were also noted.

The planned arrangements (i.e. *Audit Criteria*), collected records and information (i.e. *Audit Evidence*), results of evaluation (i.e. *Audit Findings*), and comments and recommendations (i.e. *Opportunities for Improvement*) for the established QMS on SHFC's **provision of shelter financing services to the homeless and underprivileged** are noted on the subsequent pages:

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Public Affairs Department			
AUDIT CRITERIA	AUDIT EVIDENCE	AUDIT FINDINGS	OPPORTUNITIES FOR IMPROVEMENT
Top management shall ensure that quality objectives, including those needed to meet requirements for product, are established at relevant functions and levels within the organization (see ISO 9001 clause 5.4.1)	<ul style="list-style-type: none"> Public Affairs Department's Key Performance Indicators: <ul style="list-style-type: none"> One (1) internal and external Communication Plan developed, approved, and implemented; One (1) TOR developed and approved by Management. 	Conformity	<ul style="list-style-type: none"> No comment.
The organization shall plan and carry out production and service provision under controlled conditions. Controlled conditions shall include, as applicable, e) the implementation of monitoring and measurement (see ISO 9001 clause 7.5.1)	<ul style="list-style-type: none"> Printing of SHFC's desk calendar which was outsourced to Transprint Corporation was subjected to review and approval using the Printing Materials Paste-Up Approval Form. 	Conformity	<ul style="list-style-type: none"> No comment.
...the organization shall monitor information relating to customer perception...The methods for obtaining and using this information shall be determined. (see ISO 9001 clause 8.2.1)	<ul style="list-style-type: none"> Customer Care Survey Client Feedback Form with various format being used by: <ul style="list-style-type: none"> Cash Management Department; Project Individualization Department; Accounts Management Department. The survey forms are serialized and tracked using a logbook. 	Conformity	<ul style="list-style-type: none"> No comment.
Submission of Individual Performance Report is on 1 st to 2 nd week of the month (Project Calendar for November 2015)	<ul style="list-style-type: none"> The Individual Performance Report for the month of November, by Ms. Kyle, is not yet available as of the date of the audit (Dec. 14, 2015) 	Minor NC	<ul style="list-style-type: none"> Although there is no specific documented statement concerning the requirement of submitting IPRs, the issue here is being raised against a "generally implied" requirement. (see definition of "requirement" on ISO 9000:2005 section 3.1.2)

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Loan Processing – OVP – Luzon			
AUDIT CRITERIA	AUDIT EVIDENCE	AUDIT FINDINGS	OPPORTUNITIES FOR IMPROVEMENT
<p>The organization shall apply suitable methods for monitoring and, where applicable, measurement of the quality management system processes. These methods shall demonstrate the ability of the processes to achieve planned results.</p> <p><i>(see ISO 9001 clause 8.2.3)</i></p>	<ul style="list-style-type: none"> The monitoring board located at the office of the Vice President of the Loan Processing Group indicates the following: <ul style="list-style-type: none"> Target Member Beneficiaries = 7,695 Letter of Guaranty released as of Dec. 2015 = 8,120 	Conformity	<ul style="list-style-type: none"> No comment.

Project Accreditation, Evaluation and Monitoring Department			
AUDIT CRITERIA	AUDIT EVIDENCE	AUDIT FINDINGS	OPPORTUNITIES FOR IMPROVEMENT
<p>In processing of CMP Project Application, LPG PEOs conduct simultaneous processing of project such as Background Investigation.</p> <p><i>(see page 6, section II, step 7, action 1 of SHFC's Citizen's Charter)</i></p>	<ul style="list-style-type: none"> Ms. Jessica B. Caraso presented the Background Investigation Report, dated April 14, 2014, prepared by Ms. Pennylane T. Ferrer re: Martin Compound Sauyo Homeowners Association, Inc. Date of conduct of BI is on April 10, 2014. 	Conformity	<ul style="list-style-type: none"> No comment.
<p>"100% of projects for release of initial 50% full loan proceeds" with 10% weight.</p> <p><i>(See Loan Processing Group PAEMD/LE Department Action Plan)</i></p>	<ul style="list-style-type: none"> Actual weighted rating for the performance period covering January to October 2015 is at 8.33% 	Conformity	<ul style="list-style-type: none"> No comment.

Loan Examination Department			
AUDIT CRITERIA	AUDIT EVIDENCE	AUDIT FINDINGS	OPPORTUNITIES FOR IMPROVEMENT
<p>In processing of CMP Project Application, Loan Examiners conduct simultaneous processing of project such as Loan Examination.</p> <p><i>(see page 6, section II, step 7, action 3 of SHFC's Citizen's Charter)</i></p>	<ul style="list-style-type: none"> The Loan Examination Findings (2nd Notice) for the Community Association Airspeed Ville Homeowners Association, Inc. located at Manggahan Putatan Itaas, Muntinlupa City, which was prepared by Cresencia G. Bisnar, dated January 9, 2015, was presented as evidence. 	Conformity	<ul style="list-style-type: none"> No comment.

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Technical Services Department			
AUDIT CRITERIA	AUDIT EVIDENCE	AUDIT FINDINGS	OPPORTUNITIES FOR IMPROVEMENT
In processing of CMP Project Application, LPG Appraisers conduct simultaneous processing of project such as Site Inspection/Appraisal. (see page 6, section II, step 7, action 2 of SHFC's Citizen's Charter)	<ul style="list-style-type: none"> The Site Inspection / Appraisal / Title Verification report prepared by Celso Tomas Jr., reviewed by Elsa Juliana DV. Calimlim, dated December 10, 2015, for project Star Ville HOA, Inc. (On-site), was presented to demonstrate conformance with the Citizen's Charter. 	Conformity	<ul style="list-style-type: none"> No comment.
Records shall indicate the person(s) authorizing release of product for delivery to the customer (see ISO 9001 clause 8.2.4)	<ul style="list-style-type: none"> The Site Inspection / Appraisal / Title Verification report prepared by Celso Tomas Jr., reviewed by Elsa Juliana DV. Calimlim, dated December 10, 2015, for project Star Ville HOA, Inc. (On-site), was presented to demonstrate conformance with the standard's requirement. 	Conformity	<ul style="list-style-type: none"> No comment.
The organization shall identify the product status with respect to monitoring and measurement requirements throughout product realization (see ISO 9001 clause 7.5.3)	<ul style="list-style-type: none"> The Technical Services Department is using the TSD Project Status to monitor the following information: <ul style="list-style-type: none"> Project Name; Assigned Account Officer; CMP Mobilizer; Date of Inspection; Appraised Value; Technical Issues; Commitment Status; and, Actions Taken. 	Conformity	<ul style="list-style-type: none"> No comment.

Mortgage Examination Department			
AUDIT CRITERIA	AUDIT EVIDENCE	AUDIT FINDINGS	OPPORTUNITIES FOR IMPROVEMENT
The organization shall plan and carry out production and service provision under controlled conditions. Controlled conditions shall include, as applicable, a) the availability of information that describes the characteristics of the product. (see ISO 9001 clause 7.5.1)	<ul style="list-style-type: none"> The Checklist of Mortgage Documents for Take-Out / Full Release of Loan Proceeds was presented by Ms. Jeanny Furiscal as part of the controls at Mortgage Examination Department. 	Conformity	<ul style="list-style-type: none"> No comment.

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AUDIT CRITERIA	AUDIT EVIDENCE	AUDIT FINDINGS	OPPORTUNITIES FOR IMPROVEMENT
Records shall indicate the person(s) authorizing release of product for delivery to the customer (see ISO 9001 clause 8.2.4)	<ul style="list-style-type: none"> Identity of Mortgage Examiner Ms. Elsa H. Abril is indicated in the Checklist of Mortgage Documents. 	Conformity	<ul style="list-style-type: none"> No comment
"To process vouchers for the release of loan proceeds amounting to P520M". (see MED and Insurance Division 2015 Department Action Plan)	<ul style="list-style-type: none"> Records showed that as of November 2015, the total amount of processed vouchers already reached P424,804,523.38. 	Conformity	<ul style="list-style-type: none"> No comment

Accounts Management Department

AUDIT CRITERIA	AUDIT EVIDENCE	AUDIT FINDINGS	OPPORTUNITIES FOR IMPROVEMENT
"83% Collection Efficiency Rating" (see Accounts Management Process Performance Indicators)	<ul style="list-style-type: none"> The Annual Collection Efficiency Rating, as of August 2015, presented by Ms. Josefina B. Banglagan is already at 80.03% 	Conformity	<ul style="list-style-type: none"> No comment
"Conduct of collection campaigns (on-site, telephone, demand letters)" (see Accounts Management Process Controls)	<ul style="list-style-type: none"> An accomplished Official Business Form, number 1521001999, dated December 3, 2015, intended for one-on-one counseling of MBs, was presented as evidence of campaigns. 	Conformity	<ul style="list-style-type: none"> No comment
"AMD/ROD receives ledger and the final statement of account from FCD; prepares MWRP...5 days" (see page 23, step 1 of SHFC's Citizen's Charter)	<ul style="list-style-type: none"> The Request Form of certain MB Carlito Guillarde with Account Number 31380910061 was approved on December 11, 2015 which triggered the preparation of Mortgage Withdrawal Recommendation Form on December 14, 2015. 	Conformity	<ul style="list-style-type: none"> No comment

Project Individualization Department

AUDIT CRITERIA	AUDIT EVIDENCE	AUDIT FINDINGS	OPPORTUNITIES FOR IMPROVEMENT
"Process Individualization of mother titles within turn-around time of 2 weeks per CA...with target at 2,904 ISFs" (see Departmental KPIs of PID's DAP)	<ul style="list-style-type: none"> The total number of Informal Settler Families covering the months of January to November 2015 already reached 3,779. 	Conformity	<ul style="list-style-type: none"> No comment.

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AUDIT CRITERIA	AUDIT EVIDENCE	AUDIT FINDINGS	OPPORTUNITIES FOR IMPROVEMENT
Evaluates and checks completeness of the submitted documents... (see page 17, step 3 of SHFC's Citizen's Charter)	<ul style="list-style-type: none"> A printed report that compares the Total Area Per Approved Technical Description against the Total Area Per TCT Approved Subdivision Plan intended for The Magkakasama Homeowners Association, Inc. at Waling-Waling Chapter Lot 44B Juan De Dios Property in order to determine whether there are discrepancies - was presented. The report has tick marks on it which serve as evidence of actual review by Ms. Delia V. Silvia. The report was also noted and signed by Ms. Julita R. Parreno. 	Conformity	<ul style="list-style-type: none"> As one of the documented information being communicated to SHFC's stakeholders (see section 7.2.3 of the QMS Manual), the Citizen's Charter may need to be updated to reflect the actual duration to complete each transaction by those who avail SHFC's services. Case in point: Substitution of CA Members has a minimum transaction duration of 1 month (in actual process) but the charter indicates 2 days, 1 hour and 25 minutes.
The organization shall identify the product status with respect to monitoring and measurement requirements throughout product realization. (see ISO 9001 clause 7.5.3)	<ul style="list-style-type: none"> Controls for effective monitoring and tracking at PID include: <ul style="list-style-type: none"> PID Overall Monitoring Register; and, PID Motion Sheet. 	Conformity	<ul style="list-style-type: none"> No comment.

Compliance and Risk Management

AUDIT CRITERIA	AUDIT EVIDENCE	AUDIT FINDINGS	OPPORTUNITIES FOR IMPROVEMENT
Top management shall ensure that quality objectives, including those needed to meet requirements for product, are established at relevant functions and levels within the organization. (see also ISO 9001 clause 5.4.1)	<ul style="list-style-type: none"> The DAP/IPP for 2015 of the Office of the Board Secretary & Corporate Legal Counsel / Compliance Office was presented by Atty. Tristan Tresvalles to demonstrate conformance with the standard's requirement. 	Conformity	<ul style="list-style-type: none"> No comment.
Good Practice: <ul style="list-style-type: none"> The forthcoming Risk Management Manual will be a good tool that will support the intention of the newly released ISO 9001:2015 edition. The new version of the standard advocates the "risk-based thinking" approach in planning, implementing and improving any organization's quality management system. 			

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Legal Services			
AUDIT CRITERIA	AUDIT EVIDENCE	AUDIT FINDINGS	OPPORTUNITIES FOR IMPROVEMENT
Top management shall ensure that quality objectives, including those needed to meet requirements for product, are established at relevant functions and levels within the organization. <i>(see also ISO 9001 clause 5.4.1)</i>	<ul style="list-style-type: none"> Atty. Leo B. Deocampo, head of the Legal Department, presented the Department's Action Plan to demonstrate conformance with the standard's requirement. 	Conformity	<ul style="list-style-type: none"> No comment.
"Provide response within turn-around time...15 days" <i>(see Department KPI to support Corporate Target of 100% compliance of good governance conditions)</i>	<ul style="list-style-type: none"> Request for legal opinion regarding the Termination of Collection Servicing Agreement of South San Juan Villagers Association by Atty. Ronaldo B. Saco, which was received on September 24, 2015, was responded upon by Atty. Deocampo on November 9, 2015. 	Conformity	<ul style="list-style-type: none"> No comment.

Top Management			
AUDIT CRITERIA	AUDIT EVIDENCE	AUDIT FINDINGS	OPPORTUNITIES FOR IMPROVEMENT
Top management shall ensure that the quality policy d) is communicated and understood within the organization, and <i>(see ISO 9001 clause 5.3)</i>	<ul style="list-style-type: none"> SHFC's Quality Policy has posting of frames for each office; individual ID-sized cards were provided to employees and uploaded unto the website. 	Conformity	<ul style="list-style-type: none"> No comment.
Top management shall ensure that quality objectives, including those needed to meet requirements for product, are established at relevant functions and levels within the organization. <i>(see also ISO 9001 clause 5.4.1)</i>	<ul style="list-style-type: none"> Department Action Plans were established to support the Corporate Targets. Strategic plans are established during the Annual Planning Session. Performance data are submitted and reviewed every month. 	Conformity	<ul style="list-style-type: none"> No comment.
Top management shall review the organization's quality management system, at planned intervals, to ensure its continuing suitability,	<ul style="list-style-type: none"> The QMS Manual states that "The SHFC Management reviews the QMS at least once a year to ensure its continuing suitability, adequacy and 	Conformity	<ul style="list-style-type: none"> On the first sentence on Section 5, Subject 6 of the QMS Manual, instead of stating "at least once a year", the QMS Manual may mention "during the Management Committee

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AUDIT CRITERIA	AUDIT EVIDENCE	AUDIT FINDINGS	OPPORTUNITIES FOR IMPROVEMENT
adequacy and effectiveness (see also ISO 9001 clause 5.6.1)	effectiveness".		<p>Meetings".</p> <ul style="list-style-type: none"> • "Management Review" should not be interpreted as distinct from the existing management meetings (e.g. mancom, execom, etc.). The intent of the standard is to have the organization's top management review its QMS and not to have "management reviews at least once a year". • The above comments are being offered to correct the implied meaning of the last two sentences of the first paragraph on the same Subject.

Improvement Management - OEVP

AUDIT CRITERIA	AUDIT EVIDENCE	AUDIT FINDINGS	OPPORTUNITIES FOR IMPROVEMENT
The organization shall take action to eliminate the causes of nonconformities in order to prevent recurrence. (see also ISO 9001 clause 8.5.2)	<ul style="list-style-type: none"> • The Executive Vice-President, Eduardo T. Manicio, reviews the memorandum, issued on December 10, 2015, as part of the response to Correction and Corrective Action Request Form (CCAR# CCA IA-2015-16), issued to Task Force on Remedial Management head – Edgar M. Aninipot, concerning the issue on consistency of TFRM's existing guidelines with SHFC corporate policy. 	Conformity	<ul style="list-style-type: none"> • Instead of stating the preferred action to be taken by the auditee, the description of the nonconformity in the CCAR form should clearly specify the audit criteria (i.e. requirement or exactly what the organization has committed itself to do) and the audit evidence (i.e. exactly what the organization has or hasn't done that contradicts the requirement). Case in point: CCA IA-2015-16.

Financial Management

AUDIT CRITERIA	AUDIT EVIDENCE	AUDIT FINDINGS	OPPORTUNITIES FOR IMPROVEMENT
Top management shall ensure that quality objectives, including those needed to meet requirements for product, are established at relevant functions and levels within the organization. (see also ISO 9001 clause 5.4.1)	<ul style="list-style-type: none"> • The Finance and Controllershship Department Action Plan was presented by Mr. Dante M. Anabe to demonstrate conformance with the standard's requirement. 	Conformity	<ul style="list-style-type: none"> • No comment.

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AUDIT CRITERIA	AUDIT EVIDENCE	AUDIT FINDINGS	OPPORTUNITIES FOR IMPROVEMENT
<p>"100% regular transactions reviewed / processed diligently within 45 minutes per voucher"</p> <p><i>(see Individual Performance Plan of Ms. Jasmin L. Peralta)</i></p>	<ul style="list-style-type: none"> The sampled Disbursement Voucher No. 2015123171 has a total of 26 minutes from the time the processing of voucher started to the time it ended. 	Conformity	<ul style="list-style-type: none"> No comment.
<p>"Monthly financial statements available and released 45 calendar days after end of each reporting period"</p> <p><i>(see FCD DAP Corporate Target of 28% EBITDA margin achieved)</i></p>	<ul style="list-style-type: none"> A memorandum, prepared by Mr. Dante Anabe, dated May 15, 2015, was forwarded to SHFC President, Ms. Ma. Ana R. Oliveros. The memo serves as the covering letter for the March 2015 Financial Statements of SHFC. 	Conformity	<ul style="list-style-type: none"> No comment.

Localized Community Mortgage Program Department

AUDIT CRITERIA	AUDIT EVIDENCE	AUDIT FINDINGS	OPPORTUNITIES FOR IMPROVEMENT
<p>Top management shall ensure that quality objectives, including those needed to meet requirements for product, are established at relevant functions and levels within the organization.</p> <p><i>(see also ISO 9001 clause 5.4.1)</i></p>	<ul style="list-style-type: none"> The LCMP Department Action Plan was presented by Mr. Ruben C. Laset to demonstrate conformance with the standard's requirement. 	Conformity	<ul style="list-style-type: none"> No comment.
<p>The organization shall apply suitable methods for monitoring and, where applicable, measurement of the quality management system processes. These methods shall demonstrate the ability of the processes to achieve planned results.</p> <p><i>(see ISO 9001 clause 8.2.3)</i></p>	<ul style="list-style-type: none"> An Accomplishment Report Matrix serves as the monitoring tool of the LCMP Department. The matrix contains information: <ul style="list-style-type: none"> Departmental Activities; Committed KPIs; Actual Accomplishment; Reasons for over and under achievement of targets; and, Proposed/revised strategies and KPIs. 	Conformity	<ul style="list-style-type: none"> No comment.
<p>"Corporate Collection Efficiency Rating target of 80%"</p> <p><i>(see also ISO 9001 clause 5.4.1)</i></p>	<ul style="list-style-type: none"> As of June 2015, LCMPD has the following data: <ul style="list-style-type: none"> Average CER 1 = 110.5% Average CER 2 = 115.0% 	Conformity	<ul style="list-style-type: none"> No comment.

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AUDIT CRITERIA	AUDIT EVIDENCE	AUDIT FINDINGS	OPPORTUNITIES FOR IMPROVEMENT
<p>"10 CMP-Ms have availed of the incentive program"</p> <p><i>(see LCMPD Committed KPIs)</i></p>	<ul style="list-style-type: none"> A memorandum for the SHFC President, with the subject: Payment of CMP-Ms Post Take-Out Fee, contains information concerning eleven (11) CMP-Ms. 	Conformity	<ul style="list-style-type: none"> No comment.

Quality Management Representative			
AUDIT CRITERIA	AUDIT EVIDENCE	AUDIT FINDINGS	OPPORTUNITIES FOR IMPROVEMENT
<p>Top management shall review the organization's quality management system, at planned intervals, to ensure its continuing suitability, adequacy and effectiveness</p> <p><i>(see also ISO 9001 clause 5.6.1)</i></p>	<ul style="list-style-type: none"> The QMS Manual states that "The SHFC Management reviews the QMS at least once a year to ensure its continuing suitability, adequacy and effectiveness". 	Conformity	<ul style="list-style-type: none"> On the first sentence on Section 5, Subject 6 of the QMS Manual, instead of stating "at least once a year", the QMS Manual may mention "during the Management Committee Meetings". "Management Review" should not be interpreted as distinct from the existing management meetings (e.g. mancom, execom, etc.). The intent of the standard is to have the organization's top management review its QMS and not to have "management reviews at least once a year". The above comments are being offered to correct the implied meaning of the last two sentences of the first paragraph on the same subject. The records (i.e. minutes of the meetings) on reviews by the management should highlight not only the input, but more importantly, the expected outputs.
<p>Other Opportunities for Improvement:</p> <ul style="list-style-type: none"> SHFC should clearly demonstrate that the Control of Nonconformities Procedure addresses the intention of ISO 9001 clause 8.3. The following can be considered: <ul style="list-style-type: none"> Change the title from "Control of Nonconformities" to "Control of Nonconforming Product/Service"; The scope should emphasize application on "nonconforming products/services" instead of "all identified nonconformities"; Provide sample references on records where the nature of nonconformities and any actions taken are documented There is a need to refer in the suggested procedure for Control of Nonconforming Products/Services the various guidelines in dealing with nonconforming products and services (i.e. products/services which do not conform to requirements such as timely, affordable, flexible, sustainable, etc.). The Remedial Management Manual can form part of the controls for dealing with nonconforming products/services. 			

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Documentation, Control and Custodianship Department			
AUDIT CRITERIA	AUDIT EVIDENCE	AUDIT FINDINGS	OPPORTUNITIES FOR IMPROVEMENT
The organization shall plan and carry out production and service provision under controlled conditions. (see ISO 9001 clause 7.5.1)	<ul style="list-style-type: none"> The existing database, i.e. Documentation Control and Controllership Information System serves as the central register for SHFC operational documents and is being backed-up twice-monthly. 	Conformity	<ul style="list-style-type: none"> No comment.
The organization shall exercise care with customer property while it is under the organization's control or being used by the organization. (see ISO 9001 clause 7.5.4)	<ul style="list-style-type: none"> Controls in place: <ul style="list-style-type: none"> Dual security control on vaults (i.e. one person maintains the vault lock combination and the other one keeps the grill key); Documents boxes with silica gel to retard moisture; Shelves and racks with chemical treatment and regular fumigation to eradicate pests infestation; and, Vault logbook is being maintained to track borrowers of documents. 	Conformity	<ul style="list-style-type: none"> Use of non-paper-damaging fire extinguishing media (e.g. HCFCs) can be considered in place of the water sprinkler system that is installed in the document vault.

Cash Management Department			
AUDIT CRITERIA	AUDIT EVIDENCE	AUDIT FINDINGS	OPPORTUNITIES FOR IMPROVEMENT
The organization shall plan and carry out production and service provision under controlled conditions. (see ISO 9001 clause 7.5.1)	<ul style="list-style-type: none"> Controls in place: <ul style="list-style-type: none"> Dual security control on main vault (i.e. one person maintains the vault lock combination and the other one keeps the grill key); The inner vault also has dual security control same as the main vault; Use of ultraviolet counterfeit detection device; Use of money counter to prevent errors in counting bills; Cash box with lock and key; and, Implements random schedule of cash pick-up. 	Conformity	<ul style="list-style-type: none"> No comment.

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Planning Department			
AUDIT CRITERIA	AUDIT EVIDENCE	AUDIT FINDINGS	OPPORTUNITIES FOR IMPROVEMENT
Top management shall ensure that: a) the planning of the quality management system is carried out in order to meet the requirements given in 4.1, as well as the quality objectives (see ISO 9001 clause 5.4.2)	<ul style="list-style-type: none"> Planning Department convenes the Annual Planning Sessions to carry out workshops to establish SHFC's corporate targets. The corporate targets will form the basis for setting the group/department action plans (GAP/DAP), including the individual performance plans (IPP). 	Conformity	<ul style="list-style-type: none"> Guidelines on how to prepare DAPs and IPPs should be controlled in accordance with the Document Control Procedure.
Performance data are reviewed and analyzed every month and is submitted to SHFC management. (see Section 5, Subject 4, page 1, last paragraph of the QMS Manual)	<ul style="list-style-type: none"> Planning Department head, Florencio Carandang Jr. presented the collected Accomplishment Reports from various departments, including its summary report which is based on the GCG Scorecard & Internal Targets covering the period of January to November 2015. 	Conformity	<ul style="list-style-type: none"> No comment.

Internal Audit			
AUDIT CRITERIA	AUDIT EVIDENCE	AUDIT FINDINGS	OPPORTUNITIES FOR IMPROVEMENT
A documented procedure shall be established to define the responsibilities and requirements for planning and conducting audits, establishing records and reporting results (see ISO 9001 clause 5.4.1)	<ul style="list-style-type: none"> Internal Quality Audit Chairperson, Lourdes P. Panaligan, presented the Internal Quality Audit Procedure including its associated forms. 	Conformity	<ul style="list-style-type: none"> SHFC may take into consideration integrating the procedure for Internal Quality Audit with the Internal Audit Department's process. To make the internal audit on the established QMS an integral part of the structure of SHFC, the Internal Audit Department staff should be augmented. Consequently, auditing the processes of SHFC against the QMS requirements will now be regularly performed by IAD as part of their job functions.
Corrective Action Request Form (CCAR) is to be accomplished within 5 working days. (see Section 2 of the CCAR Form)	<ul style="list-style-type: none"> Out of 29 CCARs issued since November 27, 2015, there are only 16 CCARs that were replied upon as of December 15, 2015. 	Minor NC	<ul style="list-style-type: none"> Criteria or reference in the Audit Checklists should not be limited to ISO 9001 clauses only. References should include SHFC's internal requirements and other applicable statutory and regulatory requirements.

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Task Force on Remedial Management			
AUDIT CRITERIA	AUDIT EVIDENCE	AUDIT FINDINGS	OPPORTUNITIES FOR IMPROVEMENT
<p>The organization shall plan and carry out production and service provision under controlled conditions. Controlled conditions shall include, as applicable, b) the availability of work instructions, as necessary</p> <p>(see ISO 9001 clause 7.5.1)</p>	<ul style="list-style-type: none"> Task Force on Remedial Management head, Edgar Aninipot, presented the Remedial Management Manual to ensure control on the services being provided by his department. 	Conformity	<ul style="list-style-type: none"> To be consistent with the Performance Pledge which says "Work in partnership with multi-sectoral stakeholders for the development and implementation of innovative and sustainable social housing programs", SHFC may take into consideration establishing goals for reducing dormant accounts. This recommendation is being offered since records showed that reduction of dormant accounts contributes to the improvement in Collection Efficiency Rating.

Human Resources Division			
AUDIT CRITERIA	AUDIT EVIDENCE	AUDIT FINDINGS	OPPORTUNITIES FOR IMPROVEMENT
<p>The organization shall a) determine the necessary competence for personnel performing work affecting conformity to product requirements</p> <p>(see ISO 9001 clause 6.2.2)</p>	<ul style="list-style-type: none"> Methods for determining the necessary competence includes: <ul style="list-style-type: none"> Personnel Requisition Form (section for Qualifications Required); Panel Interview Kit; Qualification Standards; Job Analysis Questionnaire; and, Individual Performance Planning and Commitment. 	Conformity	<ul style="list-style-type: none"> No comment.
<p>The organization shall b) where applicable, provide training or take other actions to achieve the necessary competence</p> <p>(see ISO 9001 clause 6.2.2)</p>	<ul style="list-style-type: none"> Evidences of provision of actions for achieving necessary competence: <ul style="list-style-type: none"> Accomplished Training Nomination Forms for individual; Special Order 15-479; and, Certificates. 	Conformity	<ul style="list-style-type: none"> Training records such as certificates on Personnel 201 Files should be updated. Case in point: Certificate of Training on Laws and Rules on Government Expenditures of Mr. Dante M. Anabe is not filed in his 201 file.
<p>The organization shall c) evaluate the effectiveness of the actions taken.</p> <p>(see ISO 9001 clause 6.2.2)</p>	<ul style="list-style-type: none"> Method for evaluating the actions taken to achieve the necessary competence includes: <ul style="list-style-type: none"> Post Course Evaluation Form; and, Learning Questionnaire. 	Conformity	<ul style="list-style-type: none"> There is a need to ensure consistency of signing the Learning Questionnaire, including indicating the time frames. The Learning Questionnaire can be enhanced by including a section to record evidence of

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AUDIT CRITERIA	AUDIT EVIDENCE	AUDIT FINDINGS	OPPORTUNITIES FOR IMPROVEMENT
			<p>discussion and review of the action plans including the results of the actions taken.</p> <ul style="list-style-type: none"> • The IPP may include a section that determines the needed developmental interventions for the individual being appraised.

Procurement Division			
AUDIT CRITERIA	AUDIT EVIDENCE	AUDIT FINDINGS	OPPORTUNITIES FOR IMPROVEMENT
<p>The organization shall evaluate and select suppliers based on their ability to supply product in accordance with the organization's requirements.</p> <p><i>(see ISO 9001 clause 7.4.1)</i></p>	<ul style="list-style-type: none"> • The Procurement process of SHFC abides by the rules and regulations stipulated in the Handbook on RA 9184 Philippine Government Procurement Reform Act. Procurement covered by the Annual Procurement Plan is implemented thru bidding. 	Conformity	<ul style="list-style-type: none"> • No comment.
<p>Purchasing information shall describe the product to be purchased.</p> <p><i>(see ISO 9001 clause 7.4.2)</i></p>	<ul style="list-style-type: none"> • Purchasing information are provided to suppliers thru: <ul style="list-style-type: none"> ○ Terms of Reference; ○ Technical Specifications; ○ Purchase Orders; ○ Purchase Requests 	Conformity	<ul style="list-style-type: none"> • No comment.
<p>The organization shall establish and implement the inspection or other activities necessary for ensuring that purchased product meets specified purchase requirements.</p> <p><i>(see ISO 9001 clause 7.4.3)</i></p>	<ul style="list-style-type: none"> • Inspection and Acceptance Reports were presented by Mr. Ernesto Atienza as evidence of verification of purchased products. 	Conformity	<ul style="list-style-type: none"> • No comment.
<p>The quality management system documentation shall include:</p> <p>d) documents, including records, determined by the organization to be necessary to ensure the effective planning, operation and control of its processes.</p> <p><i>(see ISO 9001 clause 4.2.1)</i></p>	<ul style="list-style-type: none"> • Office Order No. 15-0492 endorsed the Guidelines for the Preparation and Submission of Department / Group Proposals for Inclusion in the 2016 Annual Procurement Plan and the succeeding years. 	Conformity	<ul style="list-style-type: none"> • No comment.

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Documentation Management			
AUDIT CRITERIA	AUDIT EVIDENCE	AUDIT FINDINGS	OPPORTUNITIES FOR IMPROVEMENT
In case of proposed creation and amendment, concerned Group / Department shall accomplish the Document Creation/Revision Request Form... <i>(see Section 3.1.2 of Document Control Procedure)</i>	<ul style="list-style-type: none"> The DCCR intended for Administration Department Order No. 15-0508 was presented. 	Conformity	<ul style="list-style-type: none"> No comment.
In case of proposed creation and amendment, concerned Group / Department shall accomplish the Document Creation/Revision Request Form... <i>(see Section 3.1.2 of Document Control Procedure)</i>	<ul style="list-style-type: none"> The DCCR intended for Administration Department Order No. 15-001 dated December 2, 2015 was not presented. 	Minor NC	<ul style="list-style-type: none"> No comment.
In the creation, revision, or amendments of documents, the paper size shall be A4; Font Times New Roman; size 12. <i>(see Section 3.1.4 of Document Control Procedure)</i>	<ul style="list-style-type: none"> Office Order No. 15-0514 with subject: Creation of Luzon and National Capital Region (NCR) Hubs and Branches was presented to demonstrate conformance with the specified documentation requirements. 	Conformity	<ul style="list-style-type: none"> No comment.
A matrix for approval indicates that the President shall approve SHFC-wide memoranda. <i>(see Section 3.2.1 of Document Control Procedure)</i>	<ul style="list-style-type: none"> The memorandum intended for all groups and department heads, dated December 11, 2015, concerning the proper use of SHFC logo was signed by the Public Affairs Manager. 	Minor NC	<ul style="list-style-type: none"> No comment.
The Administration Department shall create a Document Master List for externally generated documents. <i>(see Section 3.5.1 of Document Control Procedure)</i>	<ul style="list-style-type: none"> The Handbook on Philippine Government Procurement 6th edition, including the ISO 9001 standard, was not registered on the Document Master List. 	Minor NC	<ul style="list-style-type: none"> Instead of manual logbook, consider maintaining an automated register of documents (internal or external).

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Infrastructure Management			
AUDIT CRITERIA	AUDIT EVIDENCE	AUDIT FINDINGS	OPPORTUNITIES FOR IMPROVEMENT
<p>GSD shall also ensure that these infrastructures are maintained in accordance to established work program.</p> <p><i>(see Section 6, Subject 3, page 1 of QMS Manual)</i></p>	<ul style="list-style-type: none"> Controls in place: <ul style="list-style-type: none"> Administrative Department Order No. 15-001 with subject: Guide on General Services Work Program, Building Unit Management and Preventive Maintenance Plan; Cleaning Checklist for Individual Workstation; Cleaning Checklist for Comfort Room; and, Office Order No. 15-0452 with subject: Reconstitution of Inventory Committee for CY 2015. 	Conformity	<ul style="list-style-type: none"> No comment.

Insurance Unit			
AUDIT CRITERIA	AUDIT EVIDENCE	AUDIT FINDINGS	OPPORTUNITIES FOR IMPROVEMENT
<p>The organization shall plan and carry out production and service provision under controlled conditions.</p> <p><i>(see ISO 9001 clause 7.5.1)</i></p>	<ul style="list-style-type: none"> Mr. Cesar M. Macaspac presented the Application for MRI Claim form which contains the Checklist of Requirements. 	Conformity	<ul style="list-style-type: none"> No comment.
<p>Settlement of MRI proceeds within 15 working days upon receipt of all required documents.</p> <p><i>(see Pag-IBIG MRI Pool's Staff and SHFC Minutes of the Meeting, May 13, 2015)</i></p>	<ul style="list-style-type: none"> Sampled records showed that it took a total of 14 days to process the settlement of MRI intended for account / code number 11644597. 	Conformity	<ul style="list-style-type: none"> No comment.
<p>Top management shall ensure that quality objectives, including those needed to meet requirements for product, are established at relevant functions and levels within the organization</p> <p><i>(see ISO 9001 clause 5.4.1)</i></p>	<ul style="list-style-type: none"> The DAP and Accomplishment Report covering the period from January to August 2015 of the Mortgage Examination Department and Insurance Division were presented to demonstrate conformance with the standard's requirement. 	Conformity	<ul style="list-style-type: none"> No comment.

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Information Services Department			
AUDIT CRITERIA	AUDIT EVIDENCE	AUDIT FINDINGS	OPPORTUNITIES FOR IMPROVEMENT
In planning product realization, the organization shall determine the following, as appropriate: a) quality objectives and requirements for the product. (see ISO 9001 clause 7.1)	<ul style="list-style-type: none"> Requirements for developing new systems are documented using the Use Case Details. The required information are initially obtained by the Systems Analyst, then turned-over to Technical Writers and endorsed to Programmers. 	Conformity	<ul style="list-style-type: none"> No comment.
In planning product realization, the organization shall determine the following, as appropriate: c) required verification, validation, monitoring, measurement, inspection and test activities specific to the product and the criteria for product acceptance. (see ISO 9001 clause 7.1)	<ul style="list-style-type: none"> Mr. Crisanto Alanes, Systems Analyst, monitors the development of the new system thru "Product Backlog". 	Conformity	<ul style="list-style-type: none"> There is a need to devise a form to record the results of verification of newly developed programs by the Information Services Department (see also ISO 9001 clause 7.1d)

Trust Administration Department			
AUDIT CRITERIA	AUDIT EVIDENCE	AUDIT FINDINGS	OPPORTUNITIES FOR IMPROVEMENT
The organization shall plan and carry out production and service provision under controlled conditions. Controlled conditions shall include, as applicable, b) the availability of work instructions, as necessary (see ISO 9001 clause 7.5.1)	<ul style="list-style-type: none"> TAD/HDH head, Engr. Felman Gibang, presented the Corporate Circular AKPF No. 13-001, with subject: Abot Kaya Pabahay Fund Developmental Financing Guidelines, as part of the documented information being maintained by his department to ensure effective operation. 	Conformity	<ul style="list-style-type: none"> No comment.
Top management shall ensure that quality objectives, including those needed to meet requirements for product, are established at relevant functions and levels within the organization (see ISO 9001 clause 5.4.1)	<ul style="list-style-type: none"> The Department Action Plan of Trust Administration Department was presented to demonstrate conformance with the standard's requirement. 	Conformity	<ul style="list-style-type: none"> No comment.

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Trust Administration Department			
AUDIT CRITERIA	AUDIT EVIDENCE	AUDIT FINDINGS	OPPORTUNITIES FOR IMPROVEMENT
<p>The organization shall plan and carry out production and service provision under controlled conditions. Controlled conditions shall include, as applicable, b) the availability of work instructions, as necessary</p> <p><i>(see ISO 9001 clause 7.5.1)</i></p>	<ul style="list-style-type: none"> TAD/HDH head, Engr. Felman Gibang, presented a folder of Corporate Circulars, as part of the documented information being maintained by his department to ensure effective operation. 	Conformity	<ul style="list-style-type: none"> No comment.
<p>Top management shall ensure that quality objectives, including those needed to meet requirements for product, are established at relevant functions and levels within the organization</p> <p><i>(see ISO 9001 clause 5.4.1)</i></p>	<ul style="list-style-type: none"> The Department Action Plan of High-Density Housing was presented to demonstrate conformance with the standard's requirement. 	Conformity	<ul style="list-style-type: none"> No comment.
<p>"P600M new SARO"</p> <p><i>(see TAD/HDH KPIs)</i></p>	<ul style="list-style-type: none"> Actual achievement already reached P769M. 	Conformity	<ul style="list-style-type: none"> No comment.

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Assessment Findings Tally

The table below provides a quick reference on the count of the type of audit findings incurred by each audited SHFC department:

Area	Conformity	Minor NC	Major NC
Public Affairs Department	3	1	0
Loan Processing – OVP – Luzon	1	0	0
Project Accreditation, Evaluation and Monitoring Dept.	1	0	0
Loan Examination Department	2	0	0
Technical Services Department	3	0	0
Mortgage Examination Department	3	0	0
Accounts Management Department	3	0	0
Project Individualization Department	3	0	0
Compliance and Risk Management	1	0	0
Legal Services	2	0	0
Top Management	3	0	0
OEVP – Improvement Management	1	0	0
Financial Management	3	0	0
Localized Community Mortgage Program Department	4	0	0
Quality Management Representative	1	0	0
Documentation, Control and Custodianship Department	2	0	0
Cash Management Department	1	0	0
Planning Department	2	0	0
Internal Audit	1	1	0
Task Force on Remedial Management	1	0	0
Human Resources Division	3	0	0
Procurement Division	4	0	0
Documentation Management	2	3	0
Infrastructure Management	1	0	0
Insurance Unit	3	0	0
Information Services Department	2	0	0
Trust Administration Department	2	0	0
High Density Housing	3	0	0
TOTAL	61	5	0

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VI. ASSESSMENT CONCLUSION

With a small number of relatively minor issues found, the assessment team does not perceived that this would cause significant problems in resolution (although it is obviously for SHFC's management to decide upon the actions), which the team recommends – to address the Minor NCs, including the other issues (i.e. OFIs) reported.

Therefore, the assessment team concludes that, subject to provision of adequate responses to the issues reported prior to the Certification Body's audit, the Quality Management System of the Social Housing Finance Corporation is:

Conclusion	Description
<input type="checkbox"/> Certainly Certifiable	Able to demonstrate significant innovation to go beyond the minimum requirements. Monitoring of objectives shows wide-ranging improvement trends of reliable data. Extremely familiar with the requirements. Very high percentage of the people is involved.
<input checked="" type="checkbox"/> Certifiable	Systematic process-based approach, early stage of systematic improvements; data available on conformance to objectives and existence of improvement trends. Managers and key people are involved. High familiarity with the requirements. 100% of the requirements can be fulfilled if given sufficient time to prepare.
<input type="checkbox"/> Relatively Passable	Problem or reactive-based systematic approach; minimum data on conformance results available. Involvement to QMS is in adhoc committee basis. Moderately familiar with the requirements. Though some of the requirements are not completely satisfied, there are planned countermeasures to make up for failures.
<input type="checkbox"/> Uncertain to Pass	No systematic approach evident, no results, poor results or unpredictable results. Responsibility for the QMS is only delegated to the management representative. Low familiarity with the requirements. Because of this, the customer experiences delays, errors, wastages, redundancies of work, blames, etc.

"certifiable against the requirements of ISO 9001:2008 standard"

Assessment Team:



ANTONIO P. SANTOS
LEAD QMS ASSESSOR (DAP)



SAMANTHA SHEANE T. CHICO
PROJECT COORDINATOR (DAP)

Noted by:



EVANGELINE M. MACARIOLA
OIC-DIRECTOR (DAP)



ARNEL D. ABANTO
VICE PRESIDENT (DAP)