



# **QUALITY MANAGEMENT SYSTEM (QMS) MANUAL**

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The Social Housing Finance Corporation (SHFC) is a key a player in the Philippine Government Shelter program. SHFC was created as a wholly-owned subsidiary of the National Home Mortgage Finance Corporation (NHMFC) by virtue of Executive Order (EO) No. 272 (20 January 2004). SHFC gets national funding for its shelter programs. Under this EO, SHFC is mandated to do the following:

- (a) undertake social housing programs that will cater to the formal and informal sectors within the low-income group of Philippine society; and
- (b) develop and manage social housing programs particularly the Community Mortgage Program (CMP) and the Abot-Kaya Pabahay Fund Program (amortization support program and development financing program).

The head office of SHFC is located in Makati City, Metro Manila and maintains ten regional satellite offices (Cauayan City, Naga City, Puerto Princesa City, Iloilo City, Bacolod City, Cebu City, Cagayan De Oro City, Davao City, General Santos City, and Zamboanga City) nationwide.

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### **Vision**

By 2022, SHFC shall have provided 530,000 organized and low-income families with Flexible, Affordable, Innovative, and Responsive (FAIR) shelter solutions to their housing needs.

### **Mission**

We empower and uplift the living conditions of under-privileged communities by:

1. Providing FAIR shelter solutions;
2. Building strong partnerships with the national and local government, as well as the civil society organizations and the private sector, for the attainment of affordable housing; and
3. Supporting the underprivileged communities' housing initiatives.

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The SHFC is guided by the following core values:

**Servant Leadership.** Institutionalizing a culture of leadership that recognizes the role of government employees as public servants

**Professionalism.** Promoting the highest standards for individual and corporate performance

**Accountability.** Setting and implementing performance standards that are clear and understandable to the public

**Integrity.** Keeping high ethical standards at the corporate and individual levels

**Stewardship.** Putting premium to sustainability and the judicious and proper use of internal resources

**Excellence.** Upholding the virtue of excellence in every activity

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The duly approved and signed copy of the SHFC Quality Manual shall be under the custodianship of the Administrative Department (AD).

The AD shall provide hardcopies of the approved QMS Manual to all authorized policyholders.

The AD shall be responsible for updating the QMS Manual to incorporate all amendments as approved by the SHFC Management.

The Quality Management Representative (QMR) of SHFC shall likewise advise all concerned Units, through a memorandum, of all approved amendments.

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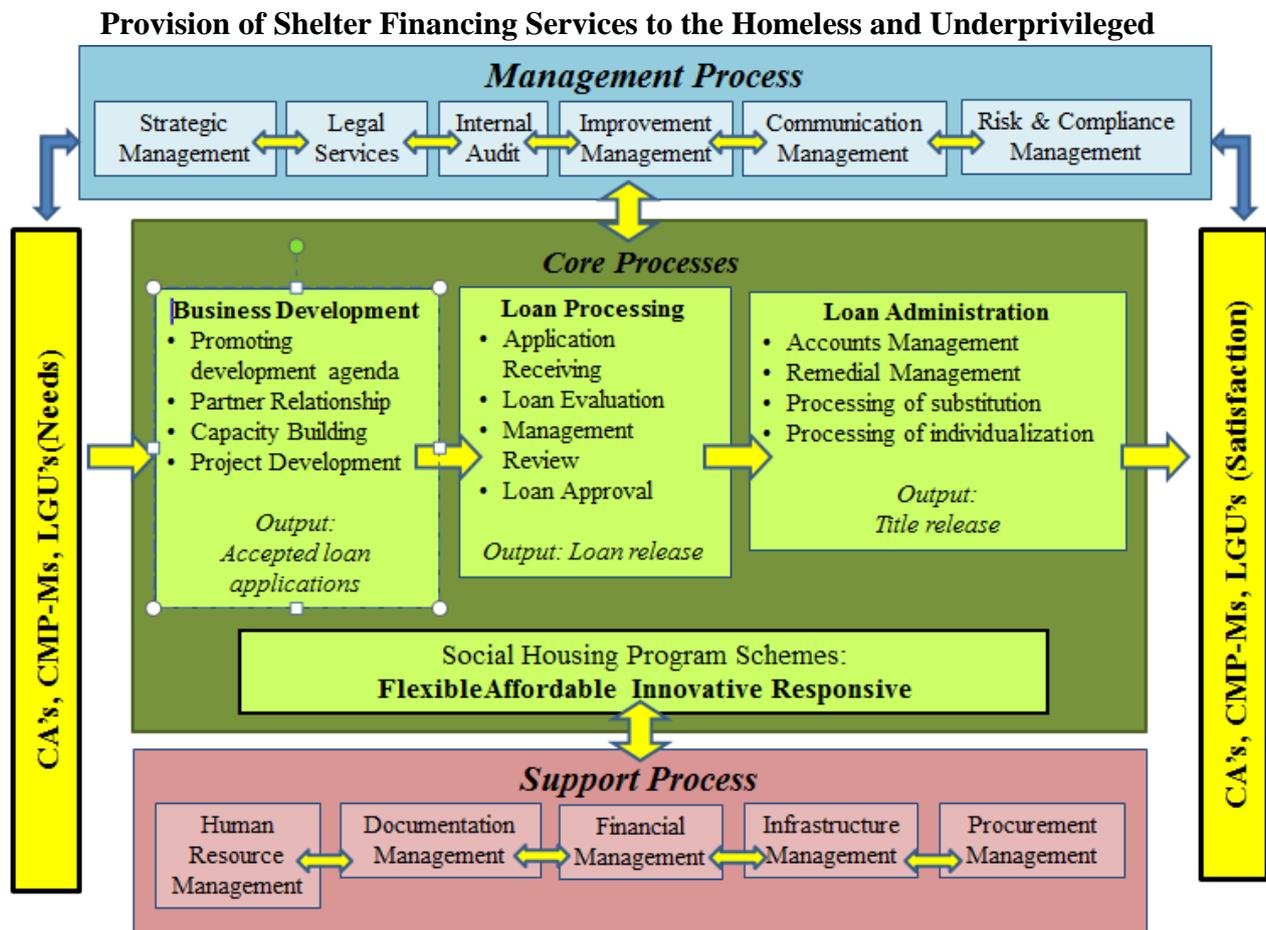
The SHFC Quality Management System (QMS) focuses on the **provision of shelter financing services to the homeless and underprivileged**, the Core Processes involved in Business Development, Loan Processing and Administration of its flexible, affordable, innovative, and responsive shelter programs. This QMS shall likewise cover the Management and Support Processes related to aforementioned loan processing and administration work.

The application of SHFC QMS is limited to the processes in its Head Office located at Makati City.

SHFC QMS applies exclusion from 7.3 (Design and Development) since the subject core processes pertains to the procedures involved in implementing SHFC shelter programs and services. On a related matter, it should also be emphasized that the mandate of SHFC is to provide financing and related development support for the underprivileged to gain shelter security. Hence, any new product or service which SHFC will be tasked to undertake would only complement its mandate and is not expected to change the corporation's purpose.

This SHFC QMS will likewise apply exclusion from 7.6 (Control of monitoring and measuring equipment). The outputs of the core process are not measured by equipment that requires regular adjustment or calibration.

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## Management Processes

**Strategic Management** involves the continuous planning, monitoring, analysis and assessment of all that is necessary for an organization to meet its goals and objectives.

**Legal Services** provide overall legal services; ensure that all corporate actions are in accordance with law.

**Internal Audit** provides and monitors observance of check and balance within the corporation.

**Improvement Management** ensures creation of an environment where everyone is looking for ways to make things better.

**Communication Management** involves systematic planning, implementing, monitoring, and revision of all channels of communication within an organization, and between organizations; includes the organization and dissemination of new communication directives connected with an organization, network, or communications technology

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***Risk and Compliance Management*** involves identification, assessment measurement, and timely reporting of enterprise-wide risks and ensuring that these risks are properly overseen. Includes efficient and effective management and control of cash and valuable Corporate Assets.

### **Core Processes**

***Business Development*** builds growth opportunities within and between organizations; involves strategic marketing (promoting development agenda), partner relationship, capacity building and project development.

***Loan Processing*** initiates the formulation and implementation of mortgage take-out policies and procedures and the overall administration of SHFC programs.

***Loan Administration*** ensures the effective & proper implementation of policies, guidelines & procedures on the monitoring & servicing of accounts.

### **Support Processes**

***Human Resource Management*** maintains the adequacy and quality of human resources through effective recruitment, training and career development.

***Documentation Management*** ensures the implementation of policies, procedures and guidelines established in the general safekeeping and custodianship of mortgage documents and other records pertaining to the community association, member beneficiaries and originating institutions.

***Financial Management*** ensures provision of efficient accounting and effective services, budget management, monitoring and control within the corporation.

***Infrastructure Management*** refers to managing information technology (IT) infrastructure both hardware and software.

***Procurement Management*** deals with activities related to the purchase of goods and services from external suppliers.

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SHFC's documentation on the Quality Management System (QMS) includes documented statements of quality policy and objectives, quality manual, policies and procedures, related forms, externally-sourced documents related to QMS such as government regulations and international standards, and records. These documents will be given appropriate controls.

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This SHFC Quality Manual describes the scope of the QMS and justification for any exclusion. It also contains the processes for its QMS and their interaction. These processes include management processes, resource management and support processes, product realization process, and measurement, analysis and improvement processes.

<b>QUALITY MANAGEMENT SYSTEM MANUAL</b>	Section DOCUMENTATION	Section No 4	Effectivity
	Subject CONTROL OF DOCUMENTS	Subject No 3	Page 1 of 1

SHFC shall maintain a quality procedure on document control to manage, monitor, and safe-keep all documents relating to the processes within the scope of the QMS. This procedure shall apply to all internally-generated documents required by SHFC's QMS as indicated in the Document Master List, which includes the following documents:

- Quality Policy;
- Quality Objectives;
- Quality Manual;
- QMS-related forms; and
- Policies and procedures pertaining to QMS

All internally-generated documents, newly-created or amended, shall be reviewed and approved by the authorized personnel prior to issuance. This procedure also applies to externally-sourced documents related to QMS.

A master list of controlled documents identifying the current revision status is maintained and is readily accessible in order to preclude the use of invalid or superseded documents. Superseded documents retained for legal, reference, or knowledge preservation purposes are suitably identified and are held in archive files. All externally-sourced documents related to QMS received shall be recorded by the Records Officer and distributed upon receipt.

This procedure ensures that all documents are identified, prepared, documented, and revised in a uniform manner that they give clear guidance and direction to their users.

<b>QUALITY MANAGEMENT SYSTEM MANUAL</b>	Section DOCUMENTATION	Section No 4	Effectivity
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SHFC shall maintain a quality procedure on records control for the identification, collection, indexing, filing, access, storage, maintenance, and disposition of all records. Records shall be maintained to demonstrate conformance to specified requirements and the effective operation of each aspect of the QMS.

All records shall be kept in storage cabinets. After its active time, hardcopy of all records shall be stored in boxes and shall be transferred to the permanent storage location for archiving.

All electronic records handled by the Information System Department, shall be backed-up in storage and/or hard drives.

All records shall be kept in such a way that prompt retrieval is possible and the records shall be protected from damage, loss, and deterioration due to environmental condition.

At the end of the authorized retention period prescribed by the National Archives of the Philippines (NAP), the archived records shall be disposed in accordance with the disposal method set by NAP.

<b>QUALITY MANAGEMENT SYSTEM MANUAL</b>	Section MANAGEMENT RESPONSIBILITY	Section No 5	Effectivity
	Subject MANAGEMENT COMMITMENT	Subject No 1	Page 1 of 1

The SHFC Management regards its Quality Management System (QMS) as a strategic asset that will help in the continual improvement of its system. To this end, the SHFC Management has established its quality policy and quality objectives and is committed to ensure that it meets these quality objectives through communication, management reviews, and provision of resources for all aspects of the QMS.

<b>QUALITY MANAGEMENT SYSTEM MANUAL</b>	Section MANAGEMENT RESPONSIBILITY	Section No 5	Effectivity
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The SHFC Management ensures that stakeholder's requirements are determined and met with the aim of enhancing satisfaction. This is accomplished through regular and open communication with stakeholders, effective management of issues, and SHFC's performance in meeting contractual, legal, and regulatory requirements. As one of the measurements of the performance of the quality management system, the organization shall monitor information relating to customer perception as to whether SHFC has met customer requirements.

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	Subject QUALITY POLICY	Subject No 3	Page 1 of 1

The SHFC Management recognizes the importance of understanding and meeting stakeholders' requirements. As such, the following **Quality Policy Statement** is established for the purpose:

*“We are a government institution committed to deliver flexible, affordable, innovative, and responsive shelter financing and development solutions to underprivileged communities. To pursue such commitments, we shall:*

- *Undertake our responsibilities with the highest level of professionalism and compliance with applicable laws and regulations;*
- *Commit to the continual improvement of our services to satisfy our stakeholders' and employees' needs; and,*
- *Strive to improve the efficiency and effectiveness of our quality management system through achieving our quality objectives.*

*To sustain the achievement of our mandate, we ensure that resources are available and prudently managed.”*

The Quality Policy shall guide SHFC in decision making processes and provides framework for establishing and reviewing its quality objectives as contained in the performance and corporate balance scorecards.

The quality policy and key system elements shall be discussed with new employees as part of their orientation. QMS information is displayed in conspicuous locations within SHFC, and included in employee trainings, communications, and meetings on a continuous basis. The SHFC Management periodically reviews the quality policy and key system elements to ensure suitability, adequacy, and effectiveness.

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### **Quality Objectives and QMS Planning**

The quality objectives of SHFC are reflected in the established strategy map of the corporation. The pursuit and realization of these objectives are stated in the annual strategic and operational plans crafted by the corporation every year.

SHFC's strategic and operational plans are the results of various performance planning and analysis undertakings pursued by the corporation during the year. These include strategic planning workshops of the SHFC Board of Directors, the negotiations with the Governance Commission for Government Owned and Controlled Corporations (GCG) on the annual corporate performance scorecard and the corporate annual planning session (APS) of SHFC management and officers. In particular, the APS serve as the venue where strategic thrusts of the corporation are clearly defined and translated into output targets, commitments from the various organizational departments/units are obtained and resource requirements are determined. The Corporate Work Plan (CWP) and its Operating Budget are the expected outputs of the APS.

Prior to the conduct of the APS, various operating groups/departments/units conduct pre-planning activities to assess performance, gather information on stakeholder requirements and expectations and review and align future directions. The outputs of these pre-planning activities are then utilized as major references during the APS.

After the APS, each organizational group/department/unit accomplishes an action plan which basically identifies the activities and their respective outputs (with performance indicators) it commits to support the targets agreed upon in the CWP. The accomplishment of the action plan is a joint undertaking between the concerned Group Head and the departments under his/her supervision.

The implementation of the action plans and ultimately the corporation performance are regularly monitored during the year. Performance data are reviewed and analyzed every month and is submitted to SHFC management. A quarterly performance report are submitted and/or presented to the SHFC Board of Directors and other relevant oversight agency such as the GCG and the Housing and Urban Coordinating Council.

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## **General Provision**

All SHFC employees are responsible for the quality of their work, as it contributes to the quality of SHFC's services. Everybody ensures that established policies and procedures are properly controlled and implemented. All Unit heads ensure that every member is appropriately trained and is able to formulate and implement corrective action when required.

### **5.5.1. Responsibility and Authority**

The SHFC's Organizational Chart defines the authority and interrelation of personnel who manage, perform, and verify work affecting quality. A copy of SHFC's Organizational Chart is hereto attached as Annex "A."

The QMS Core Group has been created through Office Order No. 15-0481, series of 2015 to ensure the establishment and successful implementation of the QMS. The Group was constituted to develop and establish its quality policy and objectives. It is headed by a Quality Management Representative and composed of the following QMS Teams:

#### **a) Planning Team (Headed by the Planning Department)**

- Ensures that quality objectives are established at relevant functions within the SHFC
- Ensures that quality objectives are measurable
- Ensures that quality objectives are supported by programs to achieve them
- Ensures that customer information is monitored as one of the measures of performance of the quality management system

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**b) Training and Education Team (Headed by the Human Resources Division)**

- Ensures that employees are aware of the QMS to successfully implement and sustain the QMS
- Plans and coordinates QMS cascading activities and facilitates identification of related competency gaps
- Coordinates the conduct of HRD interventions to address critical competency gaps

**c) Workplace Management Team (Headed by the Administration Division)**

- Ensures that the work environment needed to achieve conformity to service requirements are managed
- Ensures consistent implementation of good housekeeping programs
- Monitors and assesses workplace cleanliness, orderliness, and safety

**d) Documents Control Team (Headed by the Administration Department)**

- Ensures that changes and the current revision status of documents are identified
- Ensures that relevant versions of applicable documents are available at points of use
- Ensures that documents remain legible and readily identifiable and retrievable
- Prevents unintended use of obsolete or unauthorized documents

**e) Records Control Team (Headed by DCCD)**

- Ensures controls are established for identification, storage, protection, retrieval, retention time, and disposition of records

**f) Internal Quality Audit Committee (Headed by the IQA Chairperson)**

- Determines conformance of the QMS to the planned arrangements and to the requirements of ISO 9001 Standards
- Determines whether the QMS is effectively implemented and maintained
- Provides input to Management Review regarding the results of audits
- Keeps track of the implementation of the corrective and preventive actions for non-conformance raised during the audits

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Responsibility and authority are further delineated throughout this Quality Manual, in Job Descriptions, and in other QMS documentation.

### **5.5.2. Management Representative**

The SHFC Management has appointed a Quality Management Representative (QMR). The QMR is assigned with functions that include the following:

- Ensuring that the processes needed for the QMS are developed, implemented, and maintained;
- Reporting to Management on the performance of the QMS and any need for improvement;
- Executing plans or projects to enable the SHFC to achieve its targets and improve processes leading to excellent SHFC's performance; and
- Development of programs to promote awareness of stakeholder's requirements in all levels of the agency

### **5.5.3 Internal Communication**

The SHFC Management is responsible for communicating QMS information, including status and effectiveness, within SHFC. This is achieved through meetings, memoranda, emails, circulars, and official website uploads.

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	Subject MANAGEMENT REVIEW	Subject No 6	Page 1 of 1

The SHFC Management reviews the QMS during the Management Committee meeting which is being held every quarter to ensure its continuing suitability, adequacy and effectiveness. The review includes assessing opportunities for improvement and the need for changes to the QMS, including the quality policy and quality objectives. Management Reviews are carried out during Management Committee Meetings. Attendance at Management Review is stipulated and recorded in the agenda and/or minutes of the meeting.

The review is conducted in coordination with the QMR and input to this review includes at a minimum, the following:

- Follow-up actions from previous Management Reviews;
- Quality Policy;
- Status of quality objectives;
- Results of audits (internal and external audits);
- Status of corrective and preventive actions;
- Stakeholders' feedback; and
- Changes that could affect the QMS

The discussions of the above inputs help the Management determine the status of the QMS and become the basis for discussion of recommendation for improvement.

The review's progress is oriented towards output objectives as follows:

- Improvement of the QMS and its processes;
- Improvement of product related to stakeholder requirements; and
- Identification of new or changing resource needs

Approved items for improvement are documented as Action Plans. Notes are taken, retained as Minutes, and made available for personnel unable to attend the review. Records of Management Reviews are maintained in accordance to the Records Control Procedure.

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The Legal Department is tasked to represent SHFC in cases filed before judicial and quasi-judicial bodies. It issues legal opinions and advisories and likewise reviews contracts and agreements to ensure that the interest of the corporation is protected and in accordance with laws and other relevant rules and regulations. In general, it provides the overall legal direction for the corporation.

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The SHFC Management determines and is committed to provide the resources needed to implement and maintain the Quality Management System (QMS), to continually improve its effectiveness, and to enhance stakeholders' satisfaction by meeting stakeholders' requirements.

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	Subject HUMAN RESOURCES MANAGEMENT	Subject No 2	Page 1 of 2

The SHFC believes that its highly trained and qualified human resources are its most valuable asset. To ensure that the personnel is equipped with the necessary knowledge, skills, and attitude required to effectively and efficiently perform their functions, the Human Resources and Development Division (HRDD) implements a manpower career development program focusing on education, training, and experience. As such, the HRDD shall undertake, among others, the following functions in coordination with Unit Heads:

- Ensuring that personnel are informed of their roles and responsibilities as they affect achievement of quality objectives;
- Determining the capability building needs of personnel performing work affecting service quality;
- Organizing training programs to address the identified core competency requirements;
- Sourcing of external job-specific training programs to further develop the personnel's competence;
- Evaluating the effectiveness of training interventions; and
- Facilitating the recruitment of qualified personnel to meet the capability requirements of the operations

It is the commitment of SHFC to provide its personnel with the appropriate training for the continual improvement of their knowledge, skills, and attitude on activities related to the QMS. This is in recognition that the behavior and performance of every personnel directly impacts the quality of services provided.

Learning Needs Analysis (LNA) is conducted to identify gaps between the functional capabilities required by the position compared to the concerned personnel's current set of knowledge, skills, and attitude, and as demanded by organizational changes. The training of personnel includes, but not limited to, seminars, lectures, workshops, coaching, orientation, learning exchanges and cascading sessions.

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The qualified candidates who have gone through the process of screening are submitted to the review and appropriate endorsement of the Selection Board. All recommendations for personnel actions and progression are in accordance with the pertinent policies and procedural requirements.

Records of education, training, skills, and experience are maintained in accordance to the Quality Procedures on Records Control.

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The General Services Division (GSD) shall determine and provide all infrastructures needed for a conducive work environment in order to deliver the services. GSD shall also ensure that these infrastructures are maintained in accordance to established work program. These infrastructures include stakeholder receiving areas, workstations, conference and training facilities, storage facilities, and transportation and logistics services. GSD shall also provide property management and facilitate securing of insurance services.

GSD shall also monitor the efficient implementation of administrative and maintenance services through periodic evaluation of outsourced services in accordance with SHFC specifications, contract provisions and applicable government standards.

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The Information Systems Department (ISD) shall determine and provide comprehensive IT infrastructure, services and skills to effectively manage the different IT-enabled services used by SHFC. The ISD shall provide solutions based on the department's plans, activities and budget involving the use of computers, applications, communication technology, network and other systems to improve the quality of the company's business processes.

The ISD shall administer and maintain the systems essential to business process continuity and undertake activities to institute IT-enabled process improvements such as, but not limited to the following:

- System development;
- System documentation;
- Database management;
- End-user trainings for systems and applications;
- Network infrastructure;
- Technical support;
- Maintenance of software and hardware systems; and
- Data replication and backup

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	Subject PROCUREMENT MANAGEMENT	Subject No 4	Page 1 of 2

The Procurement Division (ProD) and Bids and Awards Committee (BAC) Secretariat shall provide timely, cost effective, open and competitive procurement services in accordance with Republic Act No. 9184 (RA 9184), otherwise known as the Government Procurement Reform Act. They shall also support and assist the BAC in providing recommendations to SHFC's Management on all matters relating to procurement of goods, infrastructure projects and consultancy services.

The ProD and BAC Secretariat shall process all procurement requests in accordance to prescribed threshold for value and mode of procurement by Government Procurement Policy Board.

All procurement of goods, infrastructure projects, and consultancy services shall be in accordance with bid parameters and specifications. Procurement documents shall contain clear description of goods, infrastructure projects, or services ordered. Procurement documents shall be reviewed and endorsed by the BAC to the appropriate approving authority. The approving authority shall approve the Notice of Award, Notice to Proceed, and Purchase Order /Acceptance Letter/Contract of Services/Consultancy Agreement prior to issuance to the supplier/contractor. Inspection of goods procured shall be conducted by the proponent and to be assisted by the ProD or BAC Secretariat to ensure that all specifications are complied with by the supplier.

Legal and financial post-qualification of suppliers and contractors shall be conducted for procurement undergoing Public Bidding. The approved service providers' performance are reviewed and evaluated by the proponents to ensure their on-going ability to meet SHFC's quality requirements. This is documented through the accomplishment of a Certificate of Acceptance, which is filed by the proponent and the ProD/BAC Secretariat.

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For purchases amounting to the prescribed threshold for shopping and small value procurement, only suppliers and contractors in accordance to the issued Government Procurement Policy Board (GPPB) guidelines shall be engaged. The BAC Secretariat shall maintain a list of suppliers and service providers that are of known qualifications, especially those that were previously awarded with contracts by SHFC.

Records of the procurement process are maintained in accordance to the Records Control Procedure.

<b>QUALITY MANAGEMENT SYSTEM MANUAL</b>	Section SUPPORT PROCESSES	Section No 6	Effectivity
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The Finance and Controllership Department (FCD) shall provide an efficient and effective accounting service for the Corporation and implement an appropriate financial control, budgeting and review system. The FCD shall endeavor to continuously evaluate the accounting and controllership systems that would make them responsive to SHFC operations.

The FCD shall implement a pre-audit and review system on all disbursements to ensure compliance with existing laws, rules and regulations including those prescribed by the SHFC Board of Directors. It also ensures that all of the logistical requirements necessary to support SHFC's operations are provided for in the Corporate Operating Budget (COB).

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The SHFC Core Process, the **provision of shelter financing services to the homeless and underprivileged** which includes Business Development, Loan Processing and Loan Administration describe all the processes that are necessary for the corporation to realize and deliver the desired product to its customers.

**Business Development** refers to the promotion of the programs to respond to a development agenda, project development, capacity development for our partners, and developing/strengthening institutional arrangements with the Local Government Units (LGUs) and other government agencies or regulatory bodies, the end output of which is the acceptance loan applications from potential borrowers.

**Loan Processing** refers to the activities from the time a loan application is accepted until the loan proceeds are disbursed and the amount is recorded in the corporation's books as receivable. This process consists of major activities such as receiving loan applications, loan evaluation, management review, loan approval and loan release.

**Loan Administration** refers to the activities from the time the loan proceeds have been released partially or in full to the landowner until the loan has been fully paid by SHFC programs beneficiaries. This process consists of billing and collection, servicing and monitoring of accounts, individualization of community title and loan, substitution of beneficiaries, and remedial management of delinquent accounts.

<b>QUALITY MANAGEMENT SYSTEM MANUAL</b>	Section PRODUCT REALIZATION	Section No 7	Effectivity
	Subject PLANNING FOR PRODUCT/SERVICE REALIZATION	Subject No 2	Page 1 of 1

SHFC through its Management determines, among others, the following when planning for product/service realization, as appropriate:

- (a) Quality objectives and requirements for the delivery of product/service to the Informal Settler Families (ISF's);
- (b) Needed processes, documents, and resources;
- (c) Required verification, validation, monitoring, measurement and, inspection criteria.

Records needed to provide evidence that requirements are met shall be maintained in accordance with the Records Control Procedure.

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	Subject STAKEHOLDER-RELATED PROCESSES	Subject No 3	Page 1 of 1

For stakeholder-related processes, the SHFC shall:

- 7.2.1. Determine the requirements specified by the stakeholder, requirements not stated by stakeholder but necessary for specified or intended use, applicable statutory and regulatory requirements, and any additional requirements considered necessary by the SHFC.

Documentary and legal requirements for the core processes are indicated in the existing applicable guidelines and relevant laws and regulations.

- 7.2.2. Review the requirements related to the product prior to the implementation by ensuring that product/service requirements are defined, different and conflicting requirements are resolved, and defined requirements can be met by SHFC.

Records of the results of the review and corresponding actions shall be maintained.

- 7.2.3. Communicate information on product, including status of stakeholders' feedback and complaints to the concerned personnel and to the stakeholder. Amend documents to reflect any change in product requirements, if any.

Information on SHFC's products, processes and updates may either be communicated to the stakeholders through Citizen's Charter, primers, public forum/orientation, posters, newsletters, process flowcharts, circulars, implementing guidelines, website, corner/bulletin, e-mails, Short Message Service (SMS), Social Networking Sites, and on-line database system, among others.

The status of stakeholder's feedback and complaints shall be communicated to the concerned personnel and to the stakeholder either through customer satisfaction survey, letter, phone call, problem solving session, consultation or informal meeting while complaints against SHFC personnel shall be handled in accordance to the existing guidelines.

<b>QUALITY MANAGEMENT SYSTEM MANUAL</b>	Section PRODUCT REALIZATION	Section No 7	Effectivity
	Subject DESIGN AND DEVELOPMENT	Subject No 4	Page 1 of 1

This is not applicable to SHFC. This is an exclusion as defined in the scope of the Quality Management System.

<b>QUALITY MANAGEMENT SYSTEM MANUAL</b>	Section	Section No	Effectivity
	PRODUCT REALIZATION	7	
	Subject	Subject No	Page
	PROCUREMENT		1 of 1

Please see Procurement Management under Support Services.

<b>QUALITY MANAGEMENT SYSTEM MANUAL</b>	Section PRODUCT REALIZATION	Section No 7	Effectivity
	Subject PRODUCT/SERVICE PROVISION	Subject No 5	Page 1 of 2

For product/service provision, the SHFC Management shall:

7.5.1. Plan and carry out product provision under controlled conditions which include, as applicable, product information, operating procedures, use of suitable equipment, monitoring and measurement and product delivery and post-delivery activities.

7.5.2. Validate any product provision where the resulting output cannot be verified by subsequent monitoring or measurement, and as a consequence, deficiencies become apparent only after the product has been delivered.

Arrangements for these processes include, as applicable, defined criteria for review and approval of the processes, qualification of personnel, use of specific methods and procedures, requirements for records and revalidation.

Records of validation shall be maintained in accordance to the Control of Records Procedure.

7.5.3. Maintain records and control identification and traceability of the product.

Product is adequately identified and traced through all stages by account number or project name.

7.5.4. Exercise care with stakeholders' property while it is under the SHFC's control or being used by SHFC. SHFC shall identify, verify, protect and safeguard stakeholders' property provided for use or incorporation into the product. If any property is lost, damaged or otherwise found to be unsuitable for use, SHFC shall report it to the stakeholder and maintain records in accordance with the Control of Records Procedure.

<b>QUALITY MANAGEMENT SYSTEM MANUAL</b>	Section PRODUCT REALIZATION	Section No 7	Effectivity
	Subject PRODUCT/SERVICE PROVISION	Subject No 5	Page 2 of 2

7.5.5. Preserve the stakeholders' records or documents during internal processing until the delivery of the product in order to maintain conformity to requirements. As applicable, preservation shall include identification, handling, storage and protection.

<b>QUALITY MANAGEMENT SYSTEM MANUAL</b>	Section PRODUCT REALIZATION	Section No 7	Effectivity
	Subject CONTROL OF MONITORING AND MEASURING EQUIPMENT	Subject No 6	Page 1 of 1

As stated in the scope and application of this Quality Management System, Control of Monitoring and Measuring Equipment is not applicable to SHFC. It has applied for exclusion.

<b>QUALITY MANAGEMENT SYSTEM MANUAL</b>	Section MEASUREMENT, ANALYSIS, AND IMPROVEMENT PROCESSES	Section No 8	Effectivity
	Subject GENERAL	Subject No	Page 1 of 1

The organization shall plan and implement the monitoring, measurement, analysis and improvement processes needed

- a) to demonstrate conformity to product requirements,
- b) to ensure conformity of the quality management system, and
- c) to continually improve the effectiveness of the quality management system.

<b>QUALITY MANAGEMENT SYSTEM MANUAL</b>	Section MEASUREMENT, ANALYSIS, AND IMPROVEMENT PROCESSES	Section No 8	Effectivity
	Subject MONITORING AND MEASUREMENT	Subject No 1	Page 1 of 4

SHFC conforms to QMS requirements and continually improves its effectiveness through the following:

### **8.1.1. Stakeholders' Satisfaction**

SHFC monitors the product outcomes in terms of meeting the stakeholders' requirements and expectations. Periodic gathering of stakeholders' feedback and perception shall be conducted through the following approaches:

#### **8.1.1.1. Customer Satisfaction Survey (CSS)**

A customer satisfaction survey and its analysis are provided annually by an independent party through the Public Affairs Department.

#### **8.1.1.2. Stakeholders' Satisfaction Index**

This in-house monthly survey is being conducted with the stakeholders as respondents to gauge the Responsiveness Measures and Overall Services rendered by SHFC. The monthly results are prepared by the Internal Audit Department, and submitted to the concerned department, Public Affairs Department and the President.

Both these approaches are being carried-out to measure customers' satisfaction as well as monitor performance of SHFC in terms of meeting the customers' requirements and expectations. Likewise, they are intended to surface the current and future development concerns of customers as they are relevant in defining and/or aligning SHFC's plans and programs.

<b>QUALITY MANAGEMENT SYSTEM MANUAL</b>	Section MEASUREMENT, ANALYSIS, AND IMPROVEMENT PROCESSES	Section No 8	Effectivity
	Subject MONITORING AND MEASUREMENT	Subject No 1	Page 2 of 4

### 8.1.2. Internal Audit

SHFC shall establish and maintain an internal quality audit procedure to verify whether quality activities and related results conform to the planned arrangements and to determine the effectiveness of the QMS.

All audits are conducted by qualified and competent personnel. Qualifications of the auditors required in the QMS are as follows:

- Must be independent of the area being audited;
- Must have training on auditing ISO 9001;
- Must possess good communication skills;
- Must possess the required attributes; and,
- Must have sound professional judgment.

The results of the audits are recorded and reported. The report contains details of:

- Conformities and nonconformities;
- Root-cause analysis;
- Correction and corrective action including dates of completion; and
- Follow-up audit

The observations are brought to the attention of the personnel having responsibility in the audited area. The concerned Department Head shall make timely correction and corrective actions on the nonconformities identified during the audit.

Follow-up audit activities are conducted to verify and record the implementation and effectiveness of the actions taken. IQA results are reported during Management Review.

Records of the audit and results are maintained in accordance to the Records Control Procedure.

<b>QUALITY MANAGEMENT SYSTEM MANUAL</b>	Section MEASUREMENT, ANALYSIS, AND IMPROVEMENT PROCESSES	Section No 8	Effectivity
	Subject MONITORING AND MEASUREMENT	Subject No 1	Page 3 of 4

### **8.1.3. Monitoring and Measurement of Process**

SHFC applies suitable methods for monitoring and, where applicable, measurement of the QMS processes. SHFC conducts Management Committee (ManCom) meetings, Board Committee meetings such as quarterly meeting with the BPA partners, Executive Committee meetings, Policy Committee meetings, Governance Committee meeting, Annual Assessment/Planning Session, Consultation process with stakeholders, Mid-Year Assessment/Planning Session, and submission of reports to track the progress of objectives, targets, and plans. SHFC also uses its Internal Quality Audit Procedure to monitor the QMS processes.

With these, SHFC is able to demonstrate the ability of the processes to achieve planned results. When planned results are not achieved, correction and corrective actions may be taken to ensure conformity.

<b>QUALITY MANAGEMENT SYSTEM MANUAL</b>	Section MEASUREMENT, ANALYSIS, AND IMPROVEMENT PROCESSES	Section No 8	Effectivity
	Subject MONITORING AND MEASUREMENT	Subject No 1	Page 4 of 4

#### **8.1.4. Monitoring and Measurement of Product**

SHFC shall monitor and measure the characteristics of the product/service to ensure conformity to requirements. These are carried out at appropriate stages of the realization process.

Delivery of product/service shall not proceed until the planned arrangements have been satisfactorily completed unless otherwise approved by relevant authority.

Records, indicating the personnel authorized to release the product, are maintained in accordance to the Records Control Procedure.

<b>QUALITY MANAGEMENT SYSTEM MANUAL</b>	Section MEASUREMENT, ANALYSIS, AND IMPROVEMENT PROCESSES	Section No 8	Effectivity
	Subject CONTROL OF NONCONFORMITY	Subject No 2	Page 1 of 1

SHFC shall maintain a Control of Nonconformity Procedure to ensure that nonconformities are identified and controlled to prevent unintended use or delivery. The procedure defines the controls and related responsibilities and authorities for dealing with nonconformities.

Where applicable, SHFC deals with nonconformities by one or more of the following ways:

- Applying correction;
- Authorizing its use, release, or acceptance under concession by the relevant authority;
- Taking action to preclude its intended original use or application; and
- Taking action appropriate to the effects, or potential effects, of the nonconformity when nonconforming product is detected after delivery or use has started

When the nonconformity is corrected, SHFC performs re-verification to demonstrate conformity to the requirements.

Records of the nature of nonconformities and any subsequent actions taken, including concessions obtained, shall be maintained in accordance to the Records Control Procedure.

<b>QUALITY MANAGEMENT SYSTEM MANUAL</b>	Section MEASUREMENT, ANALYSIS, AND IMPROVEMENT PROCESSES	Section No 8	Effectivity
	Subject ANALYSIS OF DATA	Subject No 3	Page 1 of 1

SHFC collects and analyses data to demonstrate the suitability and effectiveness of the QMS and to identify improvements that can be made. Data are analysed to provide information on the following:

- Stakeholders' satisfaction
- Status of objectives, targets, and plans;
- Nonconformities and actions taken;
- Audit observations; and
- Suppliers'/Contractors' performance

Data analysis is conducted to provide significant evidence of the effectiveness of the system and its continual improvement.

<b>QUALITY MANAGEMENT SYSTEM MANUAL</b>	Section MEASUREMENT, ANALYSIS, AND IMPROVEMENT PROCESSES	Section No 8	Effective
	Subject CONTINUAL IMPROVEMENT	Subject No 4	Page 1 of 1

### **General Provision**

SHFC strives to continually improve the effectiveness of the QMS through the use of the QMS policy and objectives, audit results, analysis of data, corrections, corrective and preventive actions, and Management Review.

### **Corrective Action**

SHFC shall maintain Corrective Action Procedure to ensure that corrections are made to nonconformities. This procedure also provides a system for determining the causes of nonconformities and implementing appropriate corrective actions to ensure that nonconformities will not recur.

Records of the results of the corrective actions taken are maintained in accordance to the Records Control Procedure.

### **Preventive Action**

SHFC shall maintain Preventive Action Procedure for determining potential risks and their causes and implementing appropriate controls to prevent or mitigate occurrences of these risks.

Records of the results of these controls taken are maintained in accordance to the Records Control Procedure.

<b>QUALITY MANAGEMENT SYSTEM MANUAL</b>	Section	ANNEXES	Section No	Effectivity
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<b>QUALITY MANAGEMENT SYSTEM MANUAL</b>	Section	GLOSSARY	Section No 10	Effectivity
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