



Executive Summary
Guam Cancer Care
Sources and Application of Funds
Part I – Sources of Funds
OPA Report No. 26-04, March 2026

Our audit of the Guam Cancer Care’s (GCC) administration and financial management of funds received for Fiscal Year (FY) 2023 and FY 2024 revealed significant challenges in budget adherence, reporting accuracy, internal controls, and contract compliance. This audit was initiated due to the Public Auditor’s concern regarding the theft conviction of one of GCC’s former Senior Navigators. This audit (Part I) is the first in a two-part series: Part I focuses on the sources of funds, and Part II will focus on the application of funds.

GCC is primarily dependent on funding from the Guam Cancer Trust Fund (GCTF). However, GCC also receives funding through donations from the general public and private businesses. Our review of the data and files relative to GCTF grants, credited through the Automated Clearing House (ACH), and donations deposited to GCC bank accounts found the following:

GCTF Grants Through ACH Reimbursements

Potential Increases in Grant Fund Utilizations for Salaries and Fringe Benefits

GCC was granted awards by the GCTF for FY 2023, amounting to \$905 thousand (K) for Direct Services and \$96K for Education and Outreach. For FY 2024, GCC was granted \$1.2 million (M) for Direct Services only. These grants are provided to GCC through reimbursements of invoices. Based on GCC's final Financial Report and Program Reports, the award amounts were fully exhausted up to the last cent, with expenditures in the Miscellaneous category (co-payment assistance) receiving 42% (FY 2023) and 43% (FY 2024), while expenditures for Salaries and Fringe Benefits received 41% (FY 2023) and 36% (FY 2024). Salaries and Fringe Benefits amounted to \$415K (FY 2023) and \$421K (FY 2024). The remaining funds were utilized for contractual services, supplies, and administrative costs.

Although for FY 2023 and 2024, the percentage of personnel costs is within the approved budget, the percentages could potentially increase in subsequent years as employees are entitled to annual salary increments for satisfactory performance. High personnel costs could consume a significant portion of the grant funds intended for direct payment/services to cancer patients.

Budget Amendments/Re-allocations Without Guam Cancer Trust Fund Council (GCTFC) Approval

Our review of the approved budget reflected in the Monthly Project Expenditures and Obligations Report (MPEOR) - Close Out Report for October 1 - 31, 2024 found budget amounts are consistently different from the amounts reflected on the monthly reports for the same period. These budget category amounts are changed either after one month, after three months, or at the end of the fiscal year. The Final Close Out Report reflects significant variances from the original approved budget costs, and increases or decreases in the object categories were made to match the actual expenditures report, reflecting that the approved budget was maximized up to the last cent. There is no proper documentation to reflect the changes with appropriate justifications and approval from the GCTFC.

According to GCC's Executive Director, they are maximizing the use of money for its intended purpose to benefit cancer patients. He further stated that,

“In reference to grants administration for which [I] have over 31 years of experience, typical budget changes do require grantor approval, but this does not apply when you are moving funds ‘in between’ already approved budget categories and tasks.”

Flaws on Reimbursed Invoices

Our review of the reported reimbursed invoices for the grant periods FY 2023 and 2024 disclosed an invoice, dated March 5, 2024, for \$97K, which was reimbursed from the GCTF for \$98K. The MPEOR reflected the invoice amount; however, GCC confirmed that the invoice amount is incorrect by stating,

“Sometimes when a payment is missed from the prior month, when we submit an invoice for 98,000, they say no you're going to have to break it up into two invoices. GCTF does not process it the way it is and prefers it separated.”

GCC has to provide a correct invoice corresponding to the reimbursed amount of \$98K, which was still pending as of this report date.

High Percentage of Some Costs Compared with Budgeted Costs

Per the detailed budget incorporated in the approved Grant Applications for FY 2023 and FY 2024, administrative costs were reflected as 10% (although OPA recalculated at 9%) of the total project costs. However, the GCC's Statement of Financial Position shows the General and Administrative Costs were calculated to be 54% (FY 2023) and 47% (FY 2024) of the total expenses.

The Statement of Financial Position provided did not include supporting schedules for the different cost classifications, such as general and administrative costs. Based on the Statement of Activities payroll cost was deducted from the general and administrative cost, resulting to lower percentages at 15% (FY 2023) and 12% (FY2024), which are still above the projected 10% administrative cost. This report was not signed by the preparer and approver, rendering the report unofficial.

Donations Deposited to GCC Bank Account

In addition to funding from GCTF grants, GCC also receives donations from the general public and private businesses. These funds are deposited into GCC's donation bank account. Deposits are basically classified into merchant services deposits and customer deposits. Based on data provided for FY 2023 and FY 2024, GCC received a total in donations deposits amounting to \$255K. Our review of the donations account and related policies and procedures disclosed the following deficiencies:

Lack of a Donation Account Statement of Activities

We did not find any report detailing the breakdown of revenues and expenditures for the Donations Account. The absence of detailed donations account report can be attributed to the lack of a structured reporting process for the donations account within GCC's Standard Operating Procedure (SOP). Establishing a Statement of Activities in addition to the Statement of Financial Condition could enable GCC to demonstrate the utilization of funds, while also promoting financial accountability to boost the confidence of donors, GCC Board (Board) members, and stakeholders.

Payroll Costs for Two Employees Paid Through Donations Account Not Found in any Report

Based on the W2 GU, GCC spent a total of \$74K for the salary of the Executive Director and \$9K for the salary of the Audit Consultant for Calendar Year (CY) 2023 and CY 2024. These expenditures were not included in the monthly Financial and Program Reports, as they were paid from the donation funds and not from grant funds. We found no report to demonstrate the payment of salaries for the two employees from the Donations Account.

Weaknesses in the Internal Standard Operating Procedures

The GCC SOP states that all donations should be recorded in the Donation Receipt Book which includes donor details, the donation amount, and the date of the donation. Donation receipts should be issued for all donations received, and the Donation Receipt Log Spreadsheet should be updated.

Our review found that the organization's "Donation Bank Deposit Log Sheet" is the same as the Donation Receipt Log Spreadsheet. In addition, according to GCC, a Donations Receipt Form is not issued for donations received through direct deposit. The original Donation Bank Deposit Log Sheet provided by GCC did not have the donations received from direct deposits, but a subsequent copy was provided, after the fact when variance was noted during the initial analysis. The lack of a separate record for all donations received under "Donation Receipt Log Spreadsheet" and donations deposited and recorded in the "Donation Bank Deposit Log Spreadsheet," stemmed from a gap in the SOP regarding the treatment and processing of these donations.

Lack of Segregation of Duties

Our audit identified several transactions in which the donation-handling process lacked independent signatories, resulting in two of the three key roles (preparer, verifier, and depositor) being performed by the same person. In several instances, the same staff member was responsible for both preparing donation deposits and verifying donations or preparing and depositing funds to the bank. The primary cause appeared to be the limited staffing resources at GCC, which led

management to assign multiple critical duties of handling donation funds to a single individual. However, GCC also had donation transactions where the preparer, verifier, and depositor are separate individuals.

Lack of Documented Donation Account Reconciliations

While the SOP includes a reconciliation process for deposit transactions to be conducted by the Operations Manager, it does not detail the frequency of reconciliation, which should be done monthly, after receipt of bank statements. We also found that the SOP lacks detailed control measures ensuring systematic matching of individual donation entries with the Donation Receipt Log Spreadsheet to determine any unreconciled items. There was no documented periodic reconciliation of donated funds received against the deposited funds. GCC provided a “Donations Check Register” file showing notes in which the reconciled amounts matched to the cent (versus the bank statements), but there was no official document identifying which employees performed the roles as the preparer, the reviewer, and the approver for these reconciliations.

Findings on the Audit Consultant Contract and Audit Reports

Our review of the Audit Consultant’s employment contract found issues on non-compliance with employment contract, such as the non-delivery of an official audit report by Part-Time Auditor, lack of clarity of Audit Consultant’s role, required periodic reports not feasible, and missing time sheets.

No Official audit Report Issued by the Audit Consultant

During our site visit discussion, the Executive Director confirmed that there is no audit report; however, upon our request (on October 9, 2025) for an audit report, the Executive Director provided a **Status Update Report, dated February 24, 2023**, via email on **October 13, 2025**. The Status Update Report reflects the Audit Consultant’s findings and recommendations on his assessment of GCC’s financial processes and review of selected transactions covering the period **August 2018 to July 2022**. The report was not signed by the Audit Consultant and thus could not be considered an official audit (status) report.

On **December 1, 2025**, GCC submitted the same report, dated February 24, 2023 and labeled as the “**Final Report**,” with the Audit Consultant's signature, certifying that the report complies with the preliminary finding. It poses a question of why a “**Final Report**,” dated February 2023, was **introduced during the audit and not provided until October 2025**.

Audit Consultant’s Role Lacks Clarity

On **October 30, 2025**, GCC's Executive Director provided the minutes of a Board meeting **signed by all Board Members, dated on the same day**, in efforts to address this finding. The meeting minutes included a Board meeting that ratified the historic and continued employment of GCC's **part-time auditor since November 2022**. It also included language where the Board validated that the part-time auditor has met all reporting requirements as agreed upon by his initial scope of work. GCC's Executive Director stated during the site visit that the Audit Consultant is “**not an official auditor**” but was appointed by the Board

to provide technical assistance to ensure that GCC complies with its requirements. The preceding statements lack clarity on the Audit Consultant's role in GCC.

The Board meeting conducted in October 2025, **was late by around three years** from effectivity of the employment contract in **November 2022**.

Periodic Audits Required per Contract Not Feasible

GCC was unable to hire an internal or external auditor due to cost constraints. Additionally, an independent financial audit cannot be performed by the Audit Consultant as it will lack the required element of "independence" as he is a contracted part-time employee. As a result of the absence of an internal or external auditor, GCC's financial reports would potentially not be subjected to internal review or external audit.

Missing Timesheets to Justify Audit Consultant's Compensation

GCC did not provide documentation to justify or support the Audit Consultant's compensation/wages paid. Timesheets for the following periods were not provided:

- a) For FY 2023 - October 2022 through September 2023; and
- b) For FY 2024 - October 2023 through December 2023; and June 2024 through September 2024.

For the FY 2024 timesheets received from GCC, total hours worked ranged from four to eight hours per pay period. Based on the Audit Consultant's W2 GU, he received \$7K for CY 2023 and \$1.6K for CY 2024. The missing timesheets remain unsubmitted.

Other Matters - Administrative

Administrative matters are not within the context of the objective of Part I. However, due to the significance of the issues noted, we deemed its necessary inclusion in the audit report.

Termination of a Former GCC Employee

This audit was directed by the Public Auditor, due to his concerns from news coverage on the theft conviction of one of GCC's former Senior Navigators. Per our request, the GCC Executive Director provided us, on December 2025, the Audit Consultant's Final Report (dated February 2023), which disclosed instances of dishonesty committed by GCC's former Senior Navigator while employed with GCC. Relative thereto we noted the following:

No Formal Investigation of Terminated Former Employee was Conducted

GCC's former Senior Patient Navigator, who pleaded guilty of theft from her part-time employer, the Guam ENT Clinic, was terminated by GCC in January 14, 2025. GCC did not conduct a formal and documented investigation report as the basis of the termination.

Questionable Board Meeting Minutes

The Board meeting Minutes for **January 29, 2025** disclosed that the budget was resubmitted **with the concerned employee's name removed**. The Minutes did not disclose that **the employee was already terminated by GCC on January 14, 2025**.

In the Board meeting Minutes from **October 30, 2025**, the Board stated,

“On October, 2022 it was identified that one of our Senior Navigators, was accused of theft of monies and property for her part-time employer, the ENT clinic. A decision was made to retain her as an employee until such time her case was officially adjudicated in the Superior Court of Guam.”

The October 2025 Board meeting was conducted almost ten months after the employee’s January 14, 2025 termination. In addition, despite the reported wrongdoings mentioned in the February 2023 Audit Consultant’s Final report and the Board’s knowledge (based on the Board meeting minutes), the GCC’s Executive Director and the Board did not conduct any formal investigation for the incurrences in FY 2022 and 2023 which remained unaddressed, even after the employee was terminated in January 2025.

Conclusion and Recommendations

While GCC fully utilized its GCTF grant awards and successfully reduced personnel costs in line with GCTF audit recommendations, weaknesses were noted in the documentation and approval of budget reallocations, deficiencies in expenditure reporting, an incorrect reimbursed invoice, lapses in meeting reporting requirements, and maintaining transparency in its processes on donation-funded activities.

Additionally, deficiencies in internal controls, including segregation of duties, reconciliation processes, and adherence to established SOPs, heighten the risk of errors and potential misappropriation. Concerns related to non-compliance of Audit Consultant’s contract requirements and the absence of a formal investigation into identified misconduct of dishonesty and appearance of fraud further enhances the need for stronger governance and oversight. These issues point to the necessity for clearer guidance from GCTF, enhanced financial controls, improved documentation practices, and strengthened monitoring of internal control lapses to ensure accountability, transparency, and overall compliance moving forward. To address the findings, we made 11 recommendations.

GCC administration and staff had performed great services to the Guam’s eligible cancer patients by providing them great relief and comfort and eventually saving valued lives of Guam citizens. There is a need for collaboration between the GCTFC and GCC Management. GCTFC needs to provide proper guidance and maximize fund availability for the non-profit organizations. The GCC Management needs to comply and adhere to prescribed policies, and rules and regulations, and maximize spending funds for direct services, to continuously save more lives. OPA had acknowledge GCC’s best efforts of finding ways and strategies to receive funds and other resources to sustain its programs.



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