



# VILLAGE COMMUNITY CARE PROGRAMS

*Prugråman i Pinilan i Famagu'on Guåhan*

Department of Public Health and Social Services

## PERFORMANCE AUDIT

October 1, 2021 to September 30, 2025

## OPA REPORT NO. 26-06

June 2026





**Village Community Care Programs**  
***Prugrãman i Pinilan i Famagu'on Guãhan***  
**Department of Public Health and Social Services**

**Performance Audit**  
**October 1, 2021 to September 30, 2025**

**OPA Report No. 26-06**  
**June 2026**

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## **EXECUTIVE SUMMARY**

### **Village Community Care Programs** *Prugrãman i Pinilan i Famagu'on Guåhan* **Department of Public Health and Social Services** **OPA Report No. 26-06, June 2026**

The Office of Public Accountability found that the Village Community Care (VCC) program, administered by the Department of Public Health and Social Services (DPHSS), operated without a clearly defined and consistently applied oversight and monitoring framework, limiting the government's ability to consistently demonstrate accountability for approximately \$10.8 million in VCC funds awarded to village mayors.

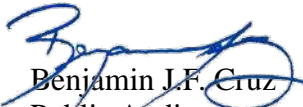
The OPA conducted a performance audit of the VCC program to assess whether its design, oversight, monitoring, and reporting processes provided sufficient accountability and transparency over the use of public funds. The audit found that key oversight responsibilities, monitoring procedures, and documentation requirements were not consistently defined or implemented across participating entities. As a result, the government's ability to independently demonstrate accountability, transparency, and proper stewardship of public funds at the municipality level was limited.

The audit also found that documentation availability, administrative continuity, and record retention practices varied across municipalities and administrations. Inconsistent recordkeeping, limited transaction traceability, and gaps in documentation during leadership transitions reduced the government's ability to independently verify reported expenditures and maintain reliable financial records across reporting periods.

Although transaction-level discrepancies and documentation limitations were identified during testing, these did not result in questioned costs. While alternative procedures provided sufficient evidence, documentation limitations reduced assurance across municipalities.

Overall, the identified conditions reflect a decentralized program structure without sufficient standardization of oversight and documentation practices, limiting consistent and verifiable accountability program-wide. These weaknesses increase the risk that errors or unsupported expenditures may not be detected in a timely manner and reduce public confidence in how municipality funds are monitored and documented.

To address these issues, we recommend that DPHSS, in coordination with the Guam Economic Development Authority and relevant stakeholders, establish a clearly defined oversight and monitoring framework, implement standardized procedures and documentation, and strengthen record continuity practices across municipality administrations.

  
Benjamin J.F. Cruz  
Public Auditor

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## Introduction

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On September 26, 2025, the Office of Public Accountability (OPA) received a referral from the Office of the Attorney General requesting assistance in obtaining records from the Yigo Mayor’s Office related to a \$600,000 grant issued by the Guam Economic Development Authority (GEDA). The referral noted that financial records from the prior administration related to the grant were unavailable.

OPA conducted a limited-scope review of the available records from the Yigo Mayor’s Office. Based on this review, OPA was unable to fully determine whether records were complete or whether expenditures could be independently verified due to limited documentation and the absence of a structured transition between mayoral administrations.

As a result, on November 12, 2025, OPA initiated a performance audit of the Village Community Care (VCC) program to assess its design, oversight, monitoring, documentation, and record continuity practices across sampled mayoral offices. The audit covered Fiscal Years 2022 through 2025 and included the Department of Public Health and Social Services (DPHSS), GEDA, and selected participating municipalities. See [Appendix 1](#) for the detailed audit objectives, scope, and methodology.

### Background

The VCC program was established to provide village mayors with funding to support childcare-related services and community programs, including facility improvements and recreational areas for children. Grant awards totaled up to \$600,000 per mayor. Recipients were required to maintain records of expenditures, including receipts, for seven years and were subject to audit. Program guidance initially required funds to be expended by September 30, 2023. According to GEDA, DPHSS later approved an extension of the expenditure deadline through September 30, 2024. See [Appendix 2](#) for the program fact sheet.

Grant awards by municipalities are summarized in Table 1 below. Hagåtña is shown separately because it did not receive an award, while Inalåhan is shown separately because its award amount differed from the standard \$600,000 allocation provided to the other participating municipalities. Detailed grant award amounts by municipality, including application numbers, are provided in [Appendix 3](#).

**Table 1: Summary of Grant Awards**

<b>Municipalities</b>	<b>Award</b>
Hagåtña	\$0
Inalåhan	\$599,295
All other 17 municipalities	\$10,200,000
<b>Total Award</b>	<b>\$10,799,295</b>

This audit did not evaluate the allowability or compliance of individual municipal expenditures. Instead, it assessed whether the program’s oversight, monitoring, documentation, and reporting framework provided reasonable accountability and transparency regarding the use of grant funds.

Executive Order (E.O.) No. 2022-07 required GEDA to be the intermediary for the program and to collaborate with DPHSS to create the program, including the development of operating procedures and monitoring and compliance. The VCC program is part of the *Prugråman i Pinilan i Famagu'on Guåhan (Prugråman Pinilan)*. *Prugråman Pinilan* is federally funded and was established to broadly capture “the whole of our child care service providers” to “meet the specific needs of our community, and ensure continuity of these critical services”. See [Appendix 4](#) for the E.O. 2022-07.

### **Applicable Rules, Regulations, Policy and Procedures**

The VCC program operates under executive directives, agency guidance, and federal requirements associated with the Child Care Development Fund (CCDF). E.O. 2022-07 designated GEDA as the intermediary and required coordination with DPHSS to implement the program, including the development of operating procedures and oversight and compliance responsibilities described in the executive order. DPHSS’s VCC Program Fact Sheet established the program’s purpose, eligibility criteria, and funding limits for participating municipalities.

At the federal level, guidance issued by the U.S. Department of Health and Human Services, Administration for Children and Families, permitted advance payments, flexible documentation, and broad allowability of COVID-related costs, while assigning primary oversight responsibility to the lead agencies through program design and monitoring. While this framework supported program implementation, it did not prescribe a uniform award methodology or detailed post-award compliance requirement applicable to all subrecipients. See [Appendix 5](#) for excerpts of the federal guidance.

External oversight guidance and audits of similar childcare stabilization programs highlight the importance of clearly defined monitoring responsibilities, standardized documentation requirements, and consistent oversight mechanisms across administering entities, which were not uniformly established within the VCC program framework.<sup>1</sup>

Additionally, DPHSS Bureau of Child Care Services Policy No. 2025-01 outlines DPHSS’s stated roles and procedures for post-award compliance assessment, monitoring, and corrective action for CCDF subgrantees and subrecipients. The Mayors Council of Guam’s (MCOG)’s Non-Appropriated Funds (NAF) Standard Operating Procedures (SOP) establish expectations for internal control, documentation, approval, and financial reporting for municipalities’ NAF. Collectively, these policies provide criteria context for evaluating oversight responsibilities and the reliability of municipality-reported financial information used in administering the VCC

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<sup>1</sup> Office of Inspector General, U.S. Department of Health and Human Services. *ACF Did Not Monitor States’ Compliance with All American Rescue Plan Child Care Stabilization Grant Provisions*. Retrieved February 3, 2026 from <https://oig.hhs.gov/>

Office of Children and Family Services, New York State Comptroller. *Child Care Stabilization Grants*. Retrieved February 3, 2026 from <https://www.osc.ny.gov/>

program; however, they do not establish comprehensive or uniform requirements for VCC-specific monitoring, documentation, or reporting, resulting in inconsistent oversight practices. See [Appendix 6](#) for excerpts of the MCOG NAF SOP.

Taken together, the federal guidance, external oversight considerations, and local policies did not provide a unified basis for consistent monitoring, documentation, and reporting across VCC subrecipients. This gap aligns with prior audit work identifying weaknesses in subrecipient monitoring.

### **Prior Audit Reports**

The VCC program was administered by DPHSS beginning in FY 2022. Although the FY 2022 compliance audit did not specifically identify deficiencies related to VCC subrecipient monitoring, Ernst & Young, LLP's FY 2023 compliance audit identified a material weakness in subrecipient monitoring within the CCDF cluster (Finding 2023-031), which resulted in a qualified opinion on the CCDF Cluster. This finding covered CCDF pass-through activity during the VCC program period. Corrective actions related to these deficiencies remained ongoing as of FY 2024.

Based on these conditions, we assessed whether the VCC program's design, oversight structure, monitoring practices, and reporting processes provided sufficient accountability, transparency, and visibility over the use of public funds at the municipality level.

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## Results of Audit

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This audit found that the VCC program operated without a clearly defined and consistently applied oversight and monitoring framework. While program activities were carried out across multiple entities, key elements of effective oversight (i.e., documented procedures, defined responsibilities, and standardized monitoring practices) were not uniformly established or implemented. As a result, the government's ability to consistently demonstrate accountability, transparency, and oversight of public funds at the municipal level was limited as sufficient evidence was obtained through alternative procedures, and no unsupported or unallowable expenditures were identified.

### **No Standardized Monitoring Framework for Oversight of VCC Funds**

When public funds are distributed across multiple entities, effective oversight requires a clearly defined and consistently implemented monitoring framework. At a minimum, this includes:

- a) Clear assignment of responsibility for reviewing and verifying expenditures;
- b) Written monitoring procedures that define how reviews are performed, documented, and followed up;
- c) Processes to review financial and performance information and to verify that reported expenditures are supported;
- d) Mechanisms to identify, track, and resolve issues, including corrective actions; and
- e) A centralized or clearly coordinated system to document monitoring activities and maintain records demonstrating oversight.

Federal guidance (Title 2 of the Code of Federal Regulations Section 200.332) requires pass-through entities to monitor subrecipients by reviewing reports, following up on deficiencies, and ensuring corrective action, supported by documented evidence of monitoring activities.

DPHSS and GEDA could not consistently demonstrate, through documentation, that VCC funds were monitored in accordance with program requirements because standardized monitoring procedures, documentation requirements, and record retention practices were not consistently defined and documented.

The VCC program lacked a clearly defined and consistently implemented monitoring framework across participating agencies. While oversight activities were performed, they were not consistently supported by clearly defined roles, written procedures, or standardized documentation. Specifically:

- a) Oversight responsibilities were described at a high level; however, documentation did not clearly define which agency was responsible for independently verifying reported expenditures after funds were disbursed.
- b) Monitoring activities were performed but were not consistently documented using standardized procedures (e.g., defined review steps, checklists, or completed monitoring reports).
- c) Documentation did not demonstrate a centralized or consistently maintained monitoring record linking award approval, disbursement, monitoring review, and follow-up actions.

- d) Documentation did not consistently demonstrate that reported expenditures were independently verified through reconciliation, recalculation, or review of supporting records across sampled mayoral offices.
- e) Follow-up communications occurred; however, documentation did not demonstrate that issues were tracked, escalated, or resolved through a structured and centralized process.

Collectively, these conditions demonstrate that oversight activities occurred, but were not consistently documented or executed within a standardized monitoring framework.

As of March 27, 2026, sampled mayoral offices provided varying levels of documentation responsiveness. One sampled mayoral office did not provide requested documentation despite multiple extensions, while other sampled mayoral offices provided partial, delayed, or more complete records depending on local record availability, organization, and administrative continuity. Accordingly, conclusions are based on available records from responding mayoral offices and oversight documentation obtained.

These conditions were primarily attributable to a decentralized recordkeeping environment and the absence of consistently defined and standardized procedures across participating entities. Specifically:

- a) Administration of the program across multiple entities without a clearly written and operationalized post-award monitoring framework;
- b) Reliance on decentralized municipal accounting systems without corresponding standardized oversight verification procedures; and
- c) Lack of defined documentation requirements for monitoring, reconciliation, and follow-up tracking across entities.

These observations reflect patterns identified through analysis of documentation across sampled mayoral offices.

These conditions had the following effects on oversight assurance and verification capability:

- a) Oversight assurance depended on the quality and availability of documentation maintained by individual municipalities;
- b) Monitoring activities were not always documented in a way that clearly demonstrated independent review;
- c) The government's ability to consistently show independent verification across municipalities was limited; and
- d) Visibility over the full lifecycle of funds was reduced when documentation or leadership continuity varied.

Although no improper expenditures were identified during our testing, the lack of a clearly formalized monitoring framework reduced the government's ability to demonstrate consistent compliance and accountability across decentralized entities. This reduced the government's ability to demonstrate program-wide accountability in a consistent and verifiable manner. While documentation and monitoring inconsistencies were identified, these did not result in a determination of questioned costs under applicable audit criteria.

Without standardized monitoring procedures and documentation requirements, DPHSS and GEDA may be unable to demonstrate that oversight activities were performed consistently, identify unresolved compliance issues, or maintain continuity during administrative transitions.

To strengthen accountability and ensure consistent oversight of public funds, we recommend that DPHSS, in coordination with GEDA and relevant stakeholders, establish and implement a formalized oversight and monitoring framework that defines who checks the spending, how they check it, and how that review is documented and tracked. Specifically:

1. Develop and formally document a centralized oversight and monitoring framework that clearly defines verification responsibilities.
2. Establish standardized monitoring procedures, including written review steps, reconciliation requirements, and documentation protocols.
3. Implement structured tracking of monitoring reviews and follow-up actions.
4. Incorporate risk-based monitoring criteria to ensure consistent independent verification across all participating municipalities.

The absence of a formalized and consistently applied oversight framework also affected how financial and supporting records were maintained at the municipal administration level. Without clear and enforceable expectations for documentation, monitoring, and record continuity, practice varied across municipalities and administrations. This variability reduced the government's ability to consistently verify how funds were used and maintain reliable records over time.

### **Municipality Documentation and Record Continuity Were Inconsistent**

Municipalities receiving public funds are expected to maintain documentation that supports transparency, accountability, and continuity of operations. At a minimum, this includes:

- a) Maintaining transaction-level documentation sufficient to support how funds were used;
- b) Organizing financial records to be readily accessible for review;
- c) Retaining records in a consistent format that supports reconciliation and verification; and
- d) Ensuring continuity of records during leadership transitions through documented transfer or retention processes.

These practices support transparency, accountability, and continuity of financial records and demonstrate compliance with applicable requirements.

Variation in documentation practices across sampled mayoral offices limit the government's ability to consistently demonstrate and independently verify the utilization of VCC funds. This assessment was based on a structured, cross-municipality review of documentation submissions, availability, and completeness across sampled mayoral offices. Specifically:

- a) NAF financial reports were not consistently maintained in a manner that ensured records were organized and readily accessible at the municipal administration level. In some cases, documentation indicated that required records were incomplete or not readily available during initial reporting periods.
- b) Supporting documentation for certain transactions, including prior-year activity, was not readily available at the time of review.
- c) During leadership transitions, formal processes for transferring grant-related records were not consistently maintained, including the absence of documented inventories or checklists.

- d) Financial records were categorized and maintained differently across municipalities and administrations, limiting consistency and comparability in reported activity.
- e) In some cases, record continuity depended on informal handoff practices or personal knowledge rather than documented procedures.
- f) One sampled mayoral office did not provide requested documentation as of the audit cutoff date, limiting the ability to assess documentation practices for that entity.

These observations reflect consistent patterns identified across sampled mayoral offices through comparative analysis of submitted and independently obtained records. Although no improper expenditures were identified during the period reviewed, inconsistent documentation limited the ability to demonstrate continuity, traceability, and completeness of reported expenditures across municipalities.

These conditions were attributable to a decentralized recordkeeping environment and the absence of consistently applied documentation and transition practices across municipalities, combined with variability in administrative practices across administrations. In several municipalities, leadership transitions affected record continuity and the availability of supporting documentation. Conversely, municipalities with greater administrative continuity were generally able to provide more organized and substantial records during the audit. There were no consistently implemented, written expectations for how grant-related records should be organized and transferred during leadership changes.

These conditions increase the risk that errors or unsupported expenditures may not be detected in a timely manner. As a result:

- a) Documentation continuity during leadership transitions was not always assured, and certain NAF reporting periods were not consistently maintained in a manner that ensured ready accessibility at the municipal level;
- b) Verification of certain historical transactions required additional effort; and
- c) Demonstrating compliance depended heavily on the availability and organization of locally maintained records.

Although no improper expenditures were identified, these documentation limitations increase long-term risk to accountability, transparency, and auditability. Incomplete or inconsistent documentation limited the ability to efficiently verify transactions and increased reliance on secondary sources or additional follow-up.

To improve record continuity and ensure transparency of fund use across administrations, we recommend that DPHSS, in coordination with the MCOG, establish and implement minimum documentation and transition standards for municipalities receiving grant funds, including:

1. Require documented grant-file transition inventory during leadership changes.
2. Incorporate verification of existing NAF documentation retention requirements into formal monitoring procedures.
3. Establish standardized documentation formats and accessibility requirements to ensure records are consistently organized and available for review across municipalities.

Overall, the conditions identified in this audit reflect a program structure that relied on decentralized implementation without sufficient standardization of oversight and documentation practices. While no improper expenditures were identified in the transactions tested, the lack of consistent monitoring, documentation, and record continuity increases the risk that errors or unsupported expenditures could occur and not be detected in a timely manner. Strengthening oversight expectations, standardizing documentation practices, and ensuring continuity of records across administrations will be critical to improving accountability and maintaining public trust in the use of these funds.

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## Conclusion and Recommendations

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This audit found that the VCC program operated without a clearly defined and consistently applied oversight and monitoring framework, and that documentation and record continuity practices varied across municipalities and administrations. While oversight activities were performed and no improper expenditures were identified in the transactions tested, the absence of standardized procedures, clear documentation requirements, and structured monitoring reduced the government's ability to consistently demonstrate accountability, transparency, and oversight of public funds. These conditions increase the risk that errors or unsupported expenditures may not be detected in a timely manner and reduce public confidence in how VCC funds are monitored and documented.

Addressing these gaps will require establishing clear, enforceable expectations for oversight, monitoring, and documentation across all participating entities. Strengthening coordination between DPHSS, GEDA, and municipal administrations, and implementing standardized procedures and recordkeeping requirements, will improve consistency in monitoring, enhance the reliability of financial reporting, and support continuity of records during leadership transitions. The following recommendations are intended to strengthen oversight and promote consistent accountability in the administration of VCC funds.

Recommendations for DPHSS, in coordination with GEDA:

1. Develop and formally document a centralized oversight and monitoring framework that clearly defines verification responsibilities.
2. Establish standardized monitoring procedures, including written review steps, reconciliation requirements, and documentation protocols.
3. Implement structured tracking of monitoring reviews and follow-up actions.
4. Incorporate risk-based monitoring criteria to ensure consistent independent verification across all participating municipalities.

Recommendations for DPHSS, in coordination with MCOG:

5. Require documented grant-file transition inventory during leadership changes.
6. Incorporate verification of existing NAF documentation retention requirements into formal monitoring procedures.
7. Establish standardized documentation formats and accessibility requirements to ensure records are consistently organized and available for review across municipalities.

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## Classification of Monetary Amounts

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Findings	Questioned Costs <sup>2</sup>	Potential Savings	Lost Revenues	Other Financial Impact <sup>3</sup>
1 No Standardized Monitoring Framework for Oversight of VCC Funds	\$ -	\$ -	\$ -	\$ -
2 Municipality Documentation and Record Continuity Were Inconsistent	\$ -	\$ -	\$ -	\$ -
<b>Totals</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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<sup>2</sup> Questioned Costs are the costs questioned because of:

- (a) An alleged violation of a provision of a law, regulation, contract, grant, cooperative agreement, or other agreement or document governing the expenditure of funds;
- (b) A finding that, at the time of the audit, such cost is not supported by adequate documentation; or
- (c) A finding that the expenditure of funds for the intended purpose is unnecessary or unreasonable.

Amounts identified in transaction testing reflect reconciliation differences and documentation limitations and do not meet the criteria for questioned costs under applicable audit standards.

<sup>3</sup> Other Financial Impact means amount identified in the audit but do not fit the other categories.

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## Management Response and OPA Reply

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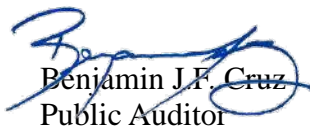
We provided a draft report to DPHSS and GEDA for their official management response on May 22, 2026. We held an Exit Conference with DPHSS and GEDA officials to discuss the reported findings and recommendations on June 12 and 15, 2026.

GEDA and DPHSS provided written management responses to the draft report. Both agencies generally agreed with the report's findings and recommendations. See [Appendix 7](#) for the management responses.

The legislation creating OPA requires agencies to prepare a corrective action plan to implement audit recommendations, document the progress in implementing the recommendations, and endeavor to have implementation completed no later than the beginning of the next fiscal year. Accordingly, we will be contacting the DPHSS and GEDA for a status of the recommendations. See [Appendix 8](#) for the status of audit recommendations.

We greatly appreciate the cooperation and assistance given to us by the DPHSS Deputy Directors, DPHSS Chief Children's Services Administrator, Division of Children's Wellness: Bureau of Child Care Services, GEDA Chief Executive Officer/Administrator, GEDA Small Business Division Supervisor, and staff during this audit.

OFFICE OF PUBLIC ACCOUNTABILITY

  
Benjamin J.F. Cruz  
Public Auditor

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## **Appendix 1: Objectives, Scope, and Methodology**

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### **Objectives**

The objectives of this engagement were to:

1. Determine whether the design and administration of the VCC program, including award determination and fund distribution, were consistent with executive direction, agency guidance, and applicable federal flexibilities.
2. Assess whether oversight roles and responsibilities between DPHSS and GEDA were clearly defined, coordinated, and implemented to support effective monitoring of VCC funds.
3. Determine whether post-award monitoring practices, including reliance on municipal financial reporting and internal controls, provided reasonable assurance over the accuracy and allowability of reported VCC expenditures.
4. Assess whether advance disbursements, batch payment processing, reporting cycles, and leadership transitions affected the ability of oversight agencies to monitor and reconcile VCC fund usage.

### **Scope**

The audit covered Fiscal Years (FY) 2022 to 2025 (from October 1, 2021 to September 30, 2025). Audited entities included DPHSS, GEDA, and selected participating municipalities. Audit testing included sampled mayoral offices with varying levels of documentation availability and administrative continuity. Audit testing included the mayoral offices of Agana Heights, Asan-Maina, Mangilao, and Yigo, selected for review based on documentation availability, responsiveness, and oversight considerations.

1. Program authorization and award determination processes.
2. Oversight coordination and monitoring activities.
3. Financial reporting and post-award compliance practices.

### **Methodology**

We performed the following steps in conducting this audit:

- Interviewed DPHSS and GEDA personnel and reviewed program design, award administration, and prior audit results.
- Assessed fund flow, oversight roles, monitoring practices, and coordination between responsible agencies.
- Evaluated post-award monitoring, compliance activities, and internal controls at the municipal level.
- Examined financial reporting, supporting documentation, and transaction traceability across sampled mayoral offices.
- Performed reconciliation, fraud risk assessment, and analytical procedures, including cross-municipal analysis of documentation availability, completeness, and timing.

OPA was able to address the audit objectives; however, documentation limitations and variability across municipalities affected the level of assurance that could be obtained for certain areas.

We conducted this compliance (performance) audit in accordance with Generally Accepted Government Auditing Standards. Those standards require that we plan and perform the audit to

obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.



### Prugrãman i Pinilan i Famagu'on Guåhan *Village Community Care Programs*

The Department of Public Health and Social Services (DPHSS) and the Guam Economic Development Authority (GEDA) have established the Prugrãman Pinilan Community Care Programs to support child care programs in the local community and are encouraging eligible applicants to apply.

# Village Community Care Programs

## Fact Sheet

### I PROGRAM INFORMATION

Since the April 2022 launch of **Prugrãman Pinilan**, we have been able to provide stability and support for the childcare care industry by providing more Guam families with financial support for childcare as well as assist child care facilities and funding programs through employers, non-profit organizations, after school care programs, community care, relative care, and apprenticeship programs.

We recognize that our village mayors also have an important role in providing essential childcare services and programs for childcare before and after school, during holidays and summer. This program will provide funds that will allow our village Mayors to upgrade and/or repair existing facilities used by the children of the village as well as allow them to provide additional playground areas, purchase supplies to maintain the upkeep of these facilities as well as assist with care for our working families.

### ELIGIBILITY

- A member of the The Mayors' Council of Guam (MCOG), established through the enactment of Public Law 14-27, signed into law on May 26, 1977. The Council is comprised of the nineteen (19) Mayors and the seven (7) Vice Mayors.
- Meet compliance with applicable health and safety requirements at the time of application i.e. sanitation permits, CPR and First Aid Training, etc.
- Are engaged, or propose to engage, in village programs that assist with the child care of school-age children, ages 5 through 13, before and after school and during summer months.

### INELIGIBILITY

The following entities shall not be eligible to receive assistance under this program:

- Afterschool programs at public or private schools;
- At home child care providers; and
- Privately owned and operated child care centers





### CONDITIONS & REQUIREMENTS

- Funds must be used no later than September 30, 2023.
- Review of proposals and use of program funds must be approved by DPHSS & GEDA. Allowable uses of grant funds include the following:
  - a. **Personnel Costs** - Wages and benefits for child care program personnel, including increases in compensation for any staff supporting the program; health, dental, and vision insurance; scholarships; paid sick or family leave; and retirement contributions.
  - b. **Rent, Utilities, Facilities maintenance, and Insurance** - Rent (including rent under a lease agreement) or payment on any mortgage obligation, utilities, facility maintenance or improvements, or insurance. It also may include late fees or charges related to late payment(s). Allowable facility maintenance and improvements may include, but are not limited to, building or upgrading outdoor play area, renovating bathroom(s), installing railings or ramps to make the facility more accessible, and removing non-load bearing walls to create additional space for social distancing.
  - c. **Personal Protective Equipment, Cleaning, and other Health and Safety Practices** - Personal protective equipment (PPE), cleaning and sanitization supplies and services, or training and professional development related to health and safety practices.
  - d. **Equipment and Supplies** - This category includes purchases of or updates to equipment and supplies to respond to the COVID-19 public health emergency. So long as the equipment and supplies are in response to the COVID-19 public health emergency, they may include indoor and outdoor equipment and supplies that facilitate practices consistent with safety protocols and developmentally appropriate practice, as well as items needed to respond to new challenges, such as software and upgrades. This also includes technological upgrades that programs can use to collect data and report to lead agencies.
  - e. **Goods and Services** - This category includes any material good or service necessary for the operation of a child care program. Examples of goods that might be necessary to maintain or resume child care services include food and equipment and materials to facilitate play, learning, eating, diapering and toileting, or safe sleep. Examples of services that are allowable include business automation training and support services, shared services, child care management services, food services, and transportation.
  - f. **Mental Health Services** - Infant and early childhood mental health consultation (IECMHC), an evidence-based, prevention-based strategy that teams mental health professionals with people who work with young children and their families to improve their social, emotional, and behavioral health and development in the settings where children learn and grow, is one example of an allowable mental health support.
- Villages must agree not to:
  - Use the funds for items that have already been paid for by federal or local public funds; or
  - Use funds for construction or major renovations; or
  - Use funds for past expenses.

**II APPLICATION PROCESS**

1. Download the grant application form found on the GEDA website at [www.investguam.com](http://www.investguam.com) OR pick up an application form at the GEDA office located on the 5th floor of the ITC building between 8:00 a.m. – 5:00 p.m. Monday through Friday.
2. Submit the completed application form and all required documents via email to [copg@investguam.com](mailto:copg@investguam.com). However, if documents must be hand delivered, we ask that you bring a copy to be stamped by our receptionist. We will not be able to make copies.
3. GEDA conducts review of application submitted and assigns a unique application number.
4. If application is complete and deemed eligible, a notice of grant award will be issued and sent to the applicant advising of the amount to be awarded.
5. If certain programs are deemed ineligible, a notice of ineligibility will be issued and sent to the applicant advising the reason of ineligibility.
6. Regular payment requests will be sent to the Department of Administration for payment of grant awards. Grant award will be disbursed via Electronic Funds Transfer.

**REQUIRED DOCUMENTATION**

- For existing programs, a copy of the business license issued by the Department of Revenue and Taxation or the Department of Public Health and Social Services (DPHSS) Child Care and Development Fund (CCDF) Certification.
  - For new programs, a copy of CCDF Application submitted to DPHSS
- Organizational documents to include any of the following:
  - Tax-exempt certificate
  - Articles of Incorporation
  - By Laws
  - Form 990 for 2021
- Municipal Council resolution approving program and application
- Government of Guam Account information for fund transfer


**AWARD AMOUNT**

- Maximum grant award shall not exceed \$600,000.00 per Village Mayor
- Applicant will be required to maintain records of all fund expenditures, to include paid receipts, for a period of seven (7) years after grant award.
- All grant recipients will be subject to audit on a case by case basis.
- All funds must be expended by September 30, 2023.

**APPLICATION PERIOD (one application per village)**

- Applications will be accepted via email to [copg@investguam.com](mailto:copg@investguam.com) beginning October 6, 2022.
- Questions can be emailed to Pinki Lujan at GEDA: [pinki.lujan@investguam.com](mailto:pinki.lujan@investguam.com) or at 671-647-4332 ext. 160
- Deadline is 5:00 PM on December 30, 2022 and is subject to the availability of funds.
- GEDA reserves the right to include additional conditions and requirements.
- Applications that are hand delivered to the drop box available at the GEDA office will not be reviewed until the next business day. Email submissions are highly encouraged.

Learn more and apply today at [investguam.com](http://investguam.com) or call (671) 647-4332.



<sup>4</sup> GEDA later informed OPA that DPHSS approved an extension of the expenditure deadline through September 30, 2024. OPA did not independently verify supporting documentation for the extension.

### Appendix 3: Grant Amounts by Municipality

Municipality	Application Number	Award Amount
Mangilao	VCC - 001	\$600,000.00
Sinajana	VCC - 003	\$600,000.00
Talo'fo'fo'	VCC - 004	\$600,000.00
Inalåhan	VCC - 005	\$599,295.00
Hågat	VCC - 006	\$600,000.00
Agana Heights	VCC - 007	\$600,000.00
Piti	VCC - 008	\$600,000.00
Mongmong-Toto-Maite	VCC - 009	\$600,000.00
Tamuning-Tumon-Harmon	VCC - 010	\$600,000.00
Hagåtña	VCC - 011	\$0.00
Barrigada	VCC - 012	\$600,000.00
Yigu	VCC-013	\$600,000.00
Asan-Maina	VCC - 014	\$600,000.00
Humåtak	VCC - 015	\$600,000.00
Yona	VCC - 016	\$600,000.00
Chalan Pago-Ordot	VCC - 017	\$600,000.00
Malesso'	VCC - 018	\$600,000.00
Sånta Rita-Sumai	VCC - 019	\$600,000.00
Dededo	VCC - 020	\$600,000.00
<b>Total Award Amount</b>		<b>\$10,799,295.00</b>

This appendix provides detailed grant award amounts by municipality, including assigned application numbers.



ISLAND OF GUAM  
OFFICE OF THE GOVERNOR  
HAGATNA, GUAM 96932  
U.S.A.

EXECUTIVE ORDER NO. 2022-07

RELATIVE TO LAUNCHING  
PRUGRĀMAN I PINILAN I FAMAGU'ON GUĀHAN

**WHEREAS**, on March 14, 2020, I, Lourdes A. Leon Guerrero, *I Maga'hagan Guåhan*, Governor of Guam, acting pursuant to the power provided by the Organic Act of Guam and the laws of Guam, declared a public health emergency on the island of Guam due to dangers posed by the 2019 novel coronavirus ("COVID-19"); and

**WHEREAS**, child care support services serve a critical role in stabilizing our workforce and, ultimately, our economy, which have suffered severe destabilization as a result of the COVID-19 pandemic; and

**WHEREAS**, in addition to funds Guam receives annually to administer the Child Care and Development Block Grant Program ("CCDBG"), our island also received one-time supplemental federal funding, made available under the American Rescue Plan Act ("ARPA") to help improve, expand, and sustain child care programs in Guam; and

**WHEREAS**, recognizing the need for a comprehensive plan to manage these federal grant funds earmarked to improve, protect, and sustain child care programs in Guam, in Executive Order No. 2021-26, I ordered the establishment of the Division of Children's Wellness ("DCW") within the Department of Public Health and Social Services ("DPHSS"), to oversee all federal grant programs related to child care and their corresponding funding; and

**WHEREAS**, I further ordered the establishment within the DCW of the Bureau of Child Care Services ("BCCS"), to oversee the general administration of federally funded child care programs or grant funds received from the U.S. Department of Health and Human Services, Administration for Children and Families, Office of Child Care; expand income eligibility requirements so that more families may qualify for child care assistance; expand child care supply in Guam, including increasing in-home and relative child care providers; develop an operating plan to expeditiously release funds to sustain the child care market; and collaborate with related after-school programs; and

**WHEREAS**, in Executive Order No. 2021-28, I ordered the launch of the Guam Child Care Provider Assistance Program ("GCCPAP"), for the purpose of administering ARPA grant funds to licensed child care providers; and

**WHEREAS**, recognizing the need for expeditious administration of these critical federal child care industry grants while the DCW operationalizes and develops the capacity to ultimately administer such programs, I ordered that the Guam Economic Development Authority ("GEDA") serve as the administrator for the GCCPAP; and

**WHEREAS**, as the administrator of the GCCPAP, GEDA was tasked with creating the GCCPAP operating procedures; distributing up to \$20 million in grant funds; receiving and reviewing applications; and fulfilling reporting requirements; and



**ISLAND OF GUAM**  
**OFFICE OF THE GOVERNOR**  
HAGATNA, GUAM 96932  
U.S.A.

**WHEREAS**, in 2021, GEDA disbursed a total of \$17.2 million in GCCPAP funds for the stabilization of eligible facilities and providers; and

**WHEREAS**, the current child care capacity on Guam available to the community does not adequately meet child care needs of our island residents, with licensed child care center capacity filling less than six percent (6%) of our community needs; and

**WHEREAS**, other child care providers, such as before and after school care programs, relative care programs, and extracurricular child care providers, were not eligible to apply for the GCCPAP; and

**WHEREAS**, assistance from relatives is a common practice on our island in providing stable child care; and increasing the supply of in-home and relative child care providers as valid childcare alternatives is essential to supporting our workforce as we undertake the work of stabilizing our economy; and

**WHEREAS**, allowing more families the access and choice to obtain license-exempt child care provider status and to receive child care block grant subsidy payments notwithstanding the absence of such licensure will expand and strengthen the child care supply in Guam; and

**WHEREAS**, the Coronavirus Aid, Relief, and Economic Security Act ("CARES"), ARPA, CCDBG, and the Coronavirus Response and Relief Supplemental Appropriations Act ("CRRSA") have collectively made available additional funding for the purpose of stabilizing the nationwide child care industry through programs that would allow for parents to reenter the workforce with assurances that their children would be properly cared for; and

**WHEREAS**, it is appropriate, in light of the reality of how child care services are provided on our island, to expand eligibility for assistance to these other child care providers to tailor childcare assistance programs to meet the specific needs of our community, and ensure continuity of these critical services; and

**WHEREAS**, notwithstanding the prior availability of grants to licensed child care providers under the GCCPAP, it is necessary to establish a new program that broadly captures the whole of our child care service providers; and

**WHEREAS**, GEDA remains an appropriate and competent agency to quickly and equitably administer these resources to the island's child care providers and, accordingly, serve as an intermediary for the BCCS to administer the initiatives of the expanded program.

**NOW THEREFORE, I, LOURDES A. LEON GUERRERO, I Maga'hagan Guahan**, Governor of Guam, by virtue of the authority vested in me by the Organic Act of Guam, as amended, and the laws Guam, do order as follows:



ISLAND OF GUAM  
OFFICE OF THE GOVERNOR  
HAGATNA, GUAM 96932  
U.S.A.

1. **THE PRUGRĀMAN I PINILAN I FAMAGU'ON GUĀHAN.** The DPHSS and GEDA shall launch the PrugrĀman i Pinilan i Famagu'on Guāhan ("PrugrĀman Pinilan"), for the purpose of administering federal ARPA, CARES, CRRSA, CCDBG funds to the island's child care providers, in addition to funds previously administered through the Guam Child Care Provider Assistance Program. GEDA shall serve as an intermediary for the program, and collaborate with DPHSS to create the program, including application development, promotion and marketing, processing, development of operating procedures, monitoring and compliance, and transmission of payment instructions to the Department of Administration.

The GEDA shall additionally undertake the following responsibilities:

- a. Developing broad eligibility criteria for grant recipients under the program, including, but not limited to, before and after school care programs, relative care programs, and extracurricular child care providers, employer child care assistance programs, and community care programs. Grant recipients must include providers caring for vulnerable children, including children experiencing homelessness or who are in immediate danger of homelessness, children in foster care, and children with developmental, emotional, or physical disabilities.
- b. Distributing \$81.5 million in funds as authorized by the ARPA, CARES, CRRSA, CCDBG for the purpose of PrugrĀman Pinilan, including any associated administrative costs incurred between March 15, 2022, and September 30, 2022, or until funds are expended;
- c. Receiving and reviewing applications in a timely manner and periodically reporting a payment schedule to the Department of Administration for check issuance to eligible child care providers;
- d. Accepting applications until such time the \$81.5 million authorized herein is exhausted as set forth, in accordance with applicable federal guidance;
- e. Transmitting and receiving payment for invoices from regularly budgeted items associated with implementation and administration of the program. GEDA shall comply with all federal and local requirements as to the usage of such funding; and
- f. Maintaining a schedule of reimbursement to GEDA for the cost of administering PrugrĀman Pinilan, not to exceed three percent (3%) of the total grant program funding.

The DPHSS shall additionally undertake the following responsibilities:

- a. Consolidating DPHSS and GEDA data, and preparing and submitting financial and program reports to the Administration for Children and



**ISLAND OF GUAM**  
**OFFICE OF THE GOVERNOR**  
HAGÁTÑA, GUAM 96932  
U.S.A.

Families, Office of Child Care. GEDA will provide DPHSS auditable certification to ensure accountability;

- b. Determining eligibility, issuing child care certificates and paying monthly subsidies to approved child care providers; and
- c. Ensuring grant and fiscal requirements are aligned with grant objectives and regulations through monitoring and compliance.

2. **SEVERABILITY.** If any provision of this Executive Order or its application to any person or circumstance is held invalid, the invalidity shall not affect other provisions or applications of this Order that can be given effect without the invalid provision or application, and to this end, the provisions of this order are severable.

**SIGNED AND PROMULGATED** at Hagåtña, Guam, this 18<sup>th</sup> day of March 2022.

**LOURDES A. LEON GUERRERO**  
*Maga'hagan Guåhan*  
Governor of Guam

Attested by:

**JOSHUA F. TENORIO**  
*Sigundo Maga'låhen Guåhan*  
Lieutenant Governor of Guam



ACF	U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES	
Administration for Children and Families	1. Log No: CCDF-ACF-IM-2021-02	2. Issuance Date: 05-10-2021
	3. Originating Office: Office of Child Care	
	4. Key Words: Child Care and Development Fund, CCDF, American Rescue Plan Act, ARP Act	

**INFORMATION MEMORANDUM  
ARP ACT CHILD CARE STABILIZATION FUNDS**

**To:** State, Territory, and Tribal Lead Agencies administering the Child Care and Development Fund (CCDF) program, as amended, and other interested parties.

**Subject:** Child Care Stabilization Grants Appropriated in the American Rescue Plan (ARP) Act (Public Law 117-2) signed into law on March 11, 2021.

**References:** The Child Care and Development Block Grant (CCDBG) Act (42 U.S.C. 9857 *et seq.*); 45 CFR Parts 98 and 99; The American Rescue Plan (ARP) Act of 2021 (Public Law 117-2)

**Purpose:** To provide an overview and guidance on the child care stabilization grants made available through the ARP Act.

**Background:** The ARP Act appropriated funding for child care through three funding streams. These include:

- Section 2201. \$14,990,000,000 for CCDF Supplemental Discretionary Funds, available until September 30, 2024.
- Section 2202. \$23,975,000,000 for child care stabilization grants, available until September 30, 2023.
- Section 9801. \$3,550,000,000 in Mandatory and Matching funding for CCDF, a permanent annual appropriation.

Each funding stream has unique requirements. Therefore, the Office of Child Care (OCC) will be issuing three separate guidance Information Memoranda (IM). The information in each IM is only applicable to the funding stream discussed in the IM, unless otherwise noted.

**Guidance:** Section 2202 of the ARP Act provides resources to states, territories, and tribes to provide stabilization grants to child care providers. This IM is designed to help states, territories, and tribes quickly distribute those funds and protect the existing child care market. The guidance explains specific requirements included in the Act, identifies opportunities for lead agencies to leverage these

resources to a wide range of child care providers, and reminds lead agencies of their legal obligations under federal civil rights laws to provide equal access to child care programs, services, and activities. The guidance included in this IM only applies to section 2202 of the ARP Act and does not extend to the other child care funding streams included in the Act. While the guidance aims to cover the range of topics necessary for lead agencies to begin administering the funds, it is not exhaustive. OCC will issue supplemental guidance and frequently asked questions throughout the life of the grant.

Excerpt from ACF Information Memorandum, Page 2

*Provider Reporting and Monitoring*

The ARP Act does not include specific reporting requirements for child care providers receiving subgrants, so any subgrant reporting requirements are at the discretion of the lead agency. In considering reporting options, lead agencies should balance the need to collect information necessary to ensure funds are being spent correctly and not overly burdening providers. At minimum, lead agencies should collect the following information from child care providers receiving subgrants:

- Provider address, including zip code
- Race and ethnicity of child care center director or family child care owner
- Gender of center director or family child care owner
- Whether the provider is open and available to provide child care services or closed due to the COVID-19 public health emergency
- How funds were used
- Documentation to show they met required certifications.

Excerpt from ACF Information Memorandum, Page 21

**Reporting and Monitoring**

Although ARP Act Stabilization Grant funding is supplemental to lead agencies' regular FY 2021 CCDF funding, it must be tracked and accounted for separately to ensure compliance with specific requirements and authorities provided by the section 2202 of the ARP Act. OCC will use existing reporting tools (e.g., 696T expenditure reports), with modifications as applicable, to collect information about the child care stabilization grants from tribal lead agencies.<sup>6</sup>

Excerpt from ACF Information Memorandum, Page 25

OCC is still determining reporting requirements around the ARP Act stabilization funds. As with other funding streams, lead agencies should track spending of these funds separately and be prepared to report on obligations and liquidations through the ACF-696 or ACF-696T (45 CFR 98.65(g) and (i)).

To ensure timely data, OCC is exploring new mechanisms and may seek approval under the Paperwork Reduction Act (44 U.S.C. 3501 et seq.) to collect information about the subgrants from lead agencies. OCC plans to limit the number of data elements expected in reporting and focus on key data points. States and territories should collect the following information and be prepared to report to OCC on a quarterly basis. These may include:

- The number of subgrant applications received
- The number of subgrants awarded
- Amount of subgrant awards
- Number of providers receiving subgrants, broken down by licensing status and provider type
- Zip code of the provider
- Race and ethnicity of center director or family child care owner
- Gender of center director or family child care owner.

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<sup>6</sup> ACF may seek to update the following information collections: ACF-218 Quality Progress Report (OMB Control Number 0970-0517); ACF-696 CCDF Financial Reporting Form for States and Territories (OMB Control Number 0970-0510); ACF-696T CCDF Financial Reporting Form for Tribes (OMB Control Number 0970-0195); and, ACF-800 CCDF Annual Aggregate Report (OMB Control Number 0970-0150).

- How providers used subgrant funds

ACF will monitor the lead agencies' compliance with applicable statutory and regulatory requirements for these funds by reviewing Plans and expenditure reports. Additionally, ACF may conduct on-site or desk review monitoring to ensure compliance.

Excerpts from ACF Information Memorandum, Pages 25-26

The following excerpts highlight key internal control, documentation, and reporting requirements applicable to municipal NAF operations.

**§0100. Purpose of Internal Control.** *(Note: In reviewing the MCOG Standard Operating Procedures, the Public Auditor found this Article to be “too general”. Therefore, the “OPA Internal Controls Procedure & Checklist” have been incorporated in this Article, as recommended by the Public Auditor.)*

It is the Mayors’ Council of Guam’s responsibility to set up policies and procedures to safeguard its assets, especially cash. To do so, Mayors and their employees must understand and apply basic principles of internal controls. Mayors often control their entire operation. They supervise employees, participate in all activities, and make major decisions. At some point, Mayors must delegate responsibilities and rely on formal procedures rather than personal contact in controlling and knowing all operations of their office. Mayors use an internal control

system to monitor and control their operations. An internal control system is all the policies and procedures Mayors use to:

- a. Protect assets;
- b. Ensure reliable accounting;
- c. Promote efficient operation;

**§0103. Mayor’s Responsibilities.** Held responsible and accountable for all NAF funds and ensures that NAF SOP is implemented and followed.

**§0104. Administrative Assistant or Duly Appointed Treasurer Responsibilities.**

- a. Ensures that the NAF Funds monthly and annual financial reports are submitted timely.
- b. Ensures that the deposits are made daily or assign a designate to perform responsibility during absence.
- c. Approves all vouchers and payments and ensure that it is properly documented.

Excerpts from MCOG NAF SOP, Pages 32-33

- f. Records and maintains all NAF accounts (General Ledger and Subsidiary Ledgers).
- g. Reviews all vouchers to ensure that all supporting documents such as receipts, required signatures, meeting minutes, and voucher are complete.
- h. Prepares monthly statements of accounts as mandated or necessary.

§0105. **Municipal Planning Council (MPC) Responsibilities.** The Mayor, as Chairman, and Municipal Planning Council (MPC) members:

- a. Oversee the receipts and expenditures
- b. Final approval of all expenditures over Five Hundred Dollars (\$500.00) from NAF.

§0106. **Procedures for NAF Revenue/Expenditure.**

- a. All fundraising revenues must be fully accounted for before, during, and after the event.
- b. Administrative Assistant and additional office staff completes Cash Count Sheet.
- c. Administrative Assistant submits cash collections and Cash Count Sheet to the Mayor.

d. Mayor verifies cash collections and Administrative Assistant prepares deposit slip and deposits cash collections to the bank daily or if not possible, at the soonest time after.

h. Administrative Assistant provides completed Cash Count Sheet, receipts, and deposit slips to the Mayor weekly/monthly.

1. **Disbursements for Non-Appropriated Funds (NAF).**

- a. If expenditure of funds is required, a payment request form must be completed and submitted to the Mayor for approval.
- b. If buying goods or paying for services, Administrative Assistant acquires one (1) price quote (if expenditure is less than \$500) or three (3) price quotes (if more than \$500).

g. If over One Hundred Dollars (\$100.00), Municipal Planning Council (MPC) approves and returns the approval with corresponding meeting minutes to the Mayor for processing with the Administrative Assistant.

k. Administrative Assistant compiles receipt with the paid invoice, approved Request for Payment form, price quotes, and meeting minutes.

Excerpts from MCOG NAF SOP, Page 36

4. **Reporting.**

a. **Ledger.**

- i. **General Ledger** – Main accounting record that shows all transactions, including reversals and voids, for all accounts for one year.
- ii. **Subsidiary Ledger** – Accounting record of all transactions for one sub-account. For example, all festival/fiesta transactions will be shown in its subsidiary ledger.

b. **Bank Statement and Bank Reconciliation.**

- i. **Bank Statement** – Provided monthly by the bank, shows the receipts and disbursements that went through the bank.



Excerpt from MCOG NAF SOP, Page 38

- ii. Bank Reconciliation – Document that shows accounting for the difference between bank statement balance and Administrative Assistant’s report for the month. It lists the amount of deposits in transit, outstanding checks, bank charges, interest earned, and errors.
- iii. Monthly – Recommended to be submitted to the Mayor and Municipal Planning Council (MPC) monthly. The monthly report consists of general and subsidiary ledgers, bank statement, bank reconciliation, monthly, and activity reports from the first to the last day of each month.
- iv. Quarterly – Recommended to be submitted to the OPA, Guam Legislature, and MCOG Executive Director.
- v. Annual – Submitted to the Mayor by July 15 of each year. The annual report consists of general and subsidiary ledgers, bank statement, bank reconciliation, monthly, and activity reports from October 1 to September 30 of each year.

- vii. Administrative Assistant prepares bank reconciliation to match balances in financial statements, bank statement, and General Ledger.
- viii. Administrative Assistant provides monthly bank statement, bank reconciliation, financial report, and General Ledger to Mayor.

Adopted on Wednesday, January 6, 2016 during the Regular Monthly Meeting of the Mayors’ Council of Guam.

**APPROVED:**

 MAYOR PAUL M. MCDONALD President	 MAYOR LOUISE C. RIVERA Vice President
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**LOURDES A. LEON GUERRERO**  
Governor of Guam  
I Magsa Hagåtña Guåhan

**JOSHUA F. TENORIO**  
Lt. Governor of Guam  
I Segundo Na Magsa Luhen Guåhan



**CHRISTINA D. GARCIA**  
Chief Executive Officer/Administrator  
Uñsult Atenestradoran/ Eisekutibon Akául

**CARLOS P. BORDALLO**  
Deputy Administrator  
Sigundo Ateneestrálit

June 17, 2026

Benjamin J.F. Cruz  
Public Auditor  
*Office of Public Accountability*  
Suite 401 DNA Building, 238 Archbishop Flores Street  
Hagåtña, Guam 96910

Subject: Village Community Care Program Performance Audit Report

*Hafa Adai Public Auditor Cruz,*

On behalf of the Guam Economic Development Authority (GEDA), I appreciate the opportunity to review and comment on the Office of Public Accountability’s performance audit on the Village Community Care Program (VCC or *Prugrâman i Pinilan iFamagu’on Guåhan*). I also want to thank members of the OPA’s office for the extensive work done during the audit.

Pursuant to Governor Lourdes A. Leon Guerrero’s Executive Order 2022-07, *Prugrâman i Pinilan i Famagu’on Guåhan* (Watching Over the Children of Guam Program), GEDA, in partnership with the DPHSS, worked together to create, develop, and administer programs to expand childcare assistance for Guam’s middle class.

At the onset, I want to make a clear statement that GEDA’s role in the VCC Program was limited to processing applications, collecting required documents, communicating with applicants, and transmitting award and account information to the Department of Administration (DOA).

Eligibility determinations, review of proposed expenditures, and applicant approvals were the responsibility of the Department of Public Health and Social Services (DPHSS). All applications, including the allocation of funds among the eligible expenditure categories were reviewed and approved by DPHSS prior to award. In addition, DPHSS maintained responsibility for program compliance and monitoring to ensure grant funds were utilized in accordance with approved program requirements and eligible expenditure categories.

GEDA did not have independent authority to approve applicants, determine eligibility, approve expenditure allocations, or perform post-award compliance monitoring. All grant funding were approved through DPHSS, and payments to approved awardees were subsequently processed through the DOA based on approvals and funding authorizations issued by DPHSS.

The last step in our administering of the Village Community Care grant was to ensure all files were complete, all summary reports submitted to DPHSS and then transfer the physical files to DPHSS so that they could conduct the follow-up audit and inspections.

Although GEDA is aware of the strict requirements of federal grants as the agency is currently administering a few federal grants, GEDA was never asked to participate in conducting monitoring, independent verification, reconciliation procedures, and ongoing compliance reviews as we understood this was the role of DPHSS.

**Conclusion**

GEDA agrees with the need to conduct monitoring, independent verification, reconciliation procedures, and ongoing compliance steps. We respectfully request that the final report remove the compliance and monitoring as a GEDA responsibility.

Thank you for the opportunity to comment on this village audit report. We look forward to continued engagement with the Office of Public Accountability on their audit of current and future programs.

*Senseremente,*



Christina Garcia  
Chief Executive Officer / Administrator



LOURDES A. LEON GUERRERO  
MAGA'HAJAN GUAHAN  
GOVERNOR OF GUAM

JOSHUA F. TENORIO  
SEGUNDO MAGA'LAHEN GUAHAN  
LT. GOVERNOR OF GUAM

GOVERNMENT OF GUAM  
DEPARTMENT OF PUBLIC HEALTH AND SOCIAL SERVICES  
DIPATTAMENTON SALUT PUPBLEKO YAN SETBISION SUSLAT



THERESA C. ARRIOLA, MBA  
DIRECTOR

PETERJOHN D. CAMACHO, MPH  
DEPUTY DIRECTOR

JUN 19 2026

Benjamin J.F. Cruz  
Public Auditor  
Office of Public Accountability  
Suite 401 DNA Building, 238 Archbishop Flores Street  
Hagåtña, Guam 96910

Re: Management Response to Draft Performance Audit Report No. 26-06: Village Community Care Programs (Prugráman i Pinilan i Famagu'on Guáhan)

Håfa Adai Public Auditor Cruz,

The Department of Public Health and Social Services (DPHSS) acknowledges receipt of the draft performance audit report for the Village Community Care Program (Report No. 26-06), transmitted to our office on May 22, 2026. We appreciate the Office of Public Accountability's (OPA) collaborative approach and the insights provided regarding the program's oversight and administration.

After a thorough review of the draft report, DPHSS concurs with the audit's findings:

- Oversight and Monitoring Framework Not Clearly Defined or Documented.
- Village Documentation and Record Continuity Were Inconsistent.

The Village Community Care Program was a non-recurring initiative that has now concluded. However, The Division of Children's Wellness (DCW) concurs with the audit finding, and therefore we have established this corrective action plan to serve as a framework in the event that similar funding opportunity is received in the future.

Mr. David Camacho, Program Coordinator IV, from the DCW, Bureau of Child Care Services (BCCS), will serve as the responsible official for this framework. Through his oversight of the Program Integrity team, which functions as a primary compliance unit within the bureau responsible for monitoring subrecipient activities, verifying the allowable use of grant funds, and enforcing regulatory standards, the established protocols of this team will be utilized to direct these corrective assessments and execute final grant closeouts.

Please find our Corrective Action Plan (CAP) and implementation timeline detailed below. Because the start date for any future program of this nature is undetermined, the timeline is structured using relative durations, where "T-Zero" represents the kickoff of the future assessment and closeout phase.

**Part I: Coordination with the Guam Economic Development Authority (GEDA)**

<b>OPA Recommendation</b>	<b>Action Plan / Corrective Steps</b>	<b>Target Duration</b>
Recommendation 1: Develop and formally document a centralized oversight and monitoring framework defining verification responsibilities.	Convene a DPHSS-GEDA working group to draft a joint Memorandum of Understanding (MOU) that explicitly defines which agency independently verifies the final village-level expenditures.	T + 30 Days
Recommendation 2: Establish standardized monitoring procedures, including written review steps, reconciliation requirements, and protocols.	Develop a standardized compliance package containing step-by-step financial reconciliation workflows, desk-review checklists, and template monitoring reports tailored for grant closeout.	T + 45 Days
Recommendation 3: Implement structured tracking of monitoring reviews and follow-up actions.	Establish a centralized digital tracker to log completed monitoring reviews, document identified gaps and track formal follow-up communications until questioned findings are resolved.	T + 60 Days
Recommendation 4: Incorporate risk-based monitoring criteria to ensure consistent independent verification across villages.	Formulate a risk matrix weighting criteria such as total award size, funding complexity, and historical documentation responsiveness to prioritize high-risk village closeout reviews.	T + 60 Days

**Part II: Coordination with the Mayors Council of Guam (MCOG)**

<b>OPA Recommendation</b>	<b>Action Plan / Corrective Steps</b>	<b>Target Duration</b>
Recommendation 5: Require documented grant-file transition inventory during leadership changes.	Partner with MCOG to issue a mandatory grant-file transition and closeout checklist, requiring mayoral administrations to sign off on an organized inventory of financial records before final grant clearance.	T + 75 Days
Recommendation 6: Incorporate verification of existing Non-Appropriated Funds (NAF) retention requirements into formal procedures.	Integrate a mandatory compliance check into the final monitoring procedures to verify that village administrations have maintained their NAF transaction ledgers, bank statements, and reconciliations.	T + 75 Days
Recommendation 7: Establish standardized documentation formats and accessibility requirements for villages.	Provide villages with standardized folder structures and ledger templates to eliminate administrative variation and simplify the final independent auditing process.	T + 90 Days

We remain committed to safeguarding public funds and improving our compliance frameworks. Should you have any questions or require additional documentation, please contact our office.

Un dankalu na si Yu'os ma'åse



**THERESA C. ARRIOLA, MBA**  
Director

## Appendix 8: Status of Recommendations

Addressee	Recommendation	Status	Actions Required
DPHSS, in coordination with GEDA	Develop and formally document a centralized oversight and monitoring framework that clearly defines verification responsibilities.	OPEN	Complete implementation of approved corrective action plan
DPHSS, in coordination with GEDA	Establish standardized monitoring procedures, including written review steps, reconciliation requirements, and documentation protocols.	OPEN	Complete implementation of approved corrective action plan
DPHSS, in coordination with GEDA	Implement structured tracking of monitoring reviews and follow-up actions.	OPEN	Complete implementation of approved corrective action plan
DPHSS, in coordination with GEDA	Incorporate risk-based monitoring criteria to ensure consistent independent verification across all participating municipalities.	OPEN	Complete implementation of approved corrective action plan
DPHSS, in coordination with MCOG	Require documented grant-file transition inventory during leadership changes.	OPEN	Complete implementation of approved corrective action plan
DPHSS, in coordination with MCOG	Incorporate verification of existing NAF documentation retention requirements into formal monitoring procedures.	OPEN	Complete implementation of approved corrective action plan
DPHSS, in coordination with MCOG	Establish standardized documentation formats and accessibility requirements to ensure records are consistently organized and available for review across municipalities.	OPEN	Complete implementation of approved corrective action plan

**VILLAGE COMMUNITY CARE PROGRAMS**  
*Prugrãman i Pinilan i Famagu'on Guåhan*  
Report No. 26-06, June 2026

**ACKNOWLEDGEMENTS**

***Key contributions to this report were made by:***

Carlsen Ponce, Accountability Auditor I  
Kayleen Concepcion, Accountability Auditor I  
Frederick Jones, CFE, Accountability Auditor II  
Joy B. Esperanza, CGFM, CFE, Accountability Auditor III  
Benjamin J.F. Cruz, Public Auditor

**MISSION STATEMENT**

We independently conduct audits and administer procurement appeals to safeguard public trust and promote good governance for the people of Guam.

**VISION**

The Government of Guam is the standard of public trust and good governance.

**CORE VALUES**

**Objective**

To have an independent and impartial mind.

**Professional**

To adhere to ethical and professional standards.

**Accountable**

To be responsible and transparent in our actions.

**REPORTING FRAUD, WASTE, AND ABUSE**

- Call our HOTLINE at 671-47AUDIT (671-472-8348)
- Visit our website at [www.opaguam.org](http://www.opaguam.org)
- Call our office at 671-475-0390
- Fax our office at 671-472-7951
- Visit us at Suite 401 DNA Building in Hagåtña



All information will be held in strict confidence.

Office of Public Accountability  
Email: [admin@guamopa.com](mailto:admin@guamopa.com)  
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