



To: APOs and CUPOs

AUD #24-40

CC: Jim Barnaby, Deputy Commissioner, State Purchasing Division
Mary Chapman, Deputy Division Director, State Purchasing Division

From: Audits, State Purchasing Division (SPD)

Date: January 10, 2024

Re: Audit of Emergency Purchase Orders (POs) issued by Team Georgia Marketplace™ and University System of Georgia entities in the months of July 2023 through September 2023

Audit Objectives

1. Was an emergency purchase required?
2. Was the emergency justification form (SPD-NI004) completed?

Background

In accordance with O.C.G.A. §50-5-71, SPD has granted the authority to state entities to purchase urgently needed items during emergencies. Emergency purchases shall be limited to those supplies, services, or items necessary to respond to the emergency. On April 12, 2022, the Department of Administrative Services (DOAS) released Official Announcement #22-06, which revised the emergency purchasing policy. These changes became effective on July 1, 2022.

Audit Summary

SPD Audits identified 33 POs totaling \$2.1 million classified as an emergency in the months of July 2023 through September 2023. All the 33 POs totaling \$2.1 million were under the purview of the DOAS. The 33 POs were issued by 15 different state entities. The five state entities that issued the most emergency POs from July 2023 through September 2023 accounted for 67% of all emergency POs and are summarized in **Table 1**.

Table 1
Top 5 State Entities under the Purview of DOAS
Emergency POs issued in the first quarter of Fiscal Year 2024

State Entities	PO Amount	Percent	PO Count
Georgia State University	\$502,653	23.7%	6
Kennesaw State University	\$420,626	19.8%	6
Georgia Institute of Technology	\$197,628	9.3%	4
Georgia Gwinnett College	\$132,370	6.2%	3
Oconee Fall Line Technical College	\$28,997	1.4%	3

Sources: 1) TGM_oEPO019D_PO_SPEND_BY_BU_DTL; 2) PO queries for Georgia Institute of Technology, Georgia State University, Augusta University; and the 3) PO data provided by the University of Georgia.

Audit Results

Using the requirements from the GPM and State law as guidance, the audit identified the following:

1. The 33 emergency POs under the purview of DOAS required an Emergency Justification Form. We were able to locate 19 (58%) Emergency Justification Forms.
2. The state entities that issued the remaining 14 emergency POs were contacted regarding the Emergency Justification Form and requested to take action to complete and attach the missing forms to the PO.
3. There were 17 POs totaling \$954,910, which fell under the Board of Regents Public Works/Construction exemption. Section 1.3.6.1 of the GPM refers to this exemption. Since this type of procurement is exempt under the State Purchasing Act, the POs could have been classified as “CSN” construction, and consequently, no emergency justification form would have been needed. Seven (41%) of these 17 POs did not have the correct Emergency Justification Form.
4. We would like to commend Georgia Institute of Technology, Georgia State University, Board of Regents, Columbus State University, Kennesaw State University, North Georgia Technical College, the Department of Corrections, the Department of Juvenile Justice, the Department of Behavioral Health and Developmental Disabilities, and the Department of Natural Resources for following the emergency purchase procedures and completing the Emergency Justification Form.

Recommendation

1. For existing emergencies that span fiscal years and now require longer-term solutions and procurements to resolve, APOs and CUPOs are reminded that they should seek advice, guidance, and approval as applicable from SPD Policy via spdpolicy@doas.ga.gov before
 - a. encumbering additional funds on existing POs
 - b. creating new POs, or
 - c. extending a contractual relationship with a supplier