



**To:** APOs and CUPOs

**AUD #25-13**

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

**From:** Audits, State Purchasing Division (SPD)

**Date:** August 14, 2024

**Re:** Audit of Emergency Purchase Orders (POs) issued by Team Georgia Marketplace™ and University System of Georgia entities in the months of April 2024 through June 2024

### 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 47 POs totaling \$5.0 million classified as an emergency in the months of April 2024 through June 2024. Of the 47 POs audited, all 47 totaling \$5.0 million were under the purview of the DOAS. The 47 POs were issued by 17 different state entities. The four state entities that issued the highest value of emergency POs from April 2024 through June 2024 accounted for 81% of all emergency POs and are summarized in **Table 1**.

**Table 1**  
**Top 4 State Entities under the Purview of DOAS**  
**Emergency POs issued in the fourth quarter of Fiscal Year 2024**

<b>State Entities</b>	<b>PO Amount</b>	<b>Percent</b>	<b>PO Count</b>
Corrections, Department of	\$2,120,251	42.2%	4
Board of Regents	\$911,532	18.2%	1
Georgia State University	\$768,112	15.3%	8
Natural Resources, Department of	\$248,795	5.0%	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. Of the 47 emergency POs under the purview of DOAS, 28 required an Emergency Justification Form. We were able to locate 24 (86%) Emergency Justification Forms. Nineteen (19) POs had a value of less than \$25,000 and were not required to be classified as an emergency. Although not necessary, Emergency Justification Forms were attached to 14 of these 19 POs.
2. The state entities that issued the four emergency POs were contacted regarding the Emergency Justification Form and requested to take action to complete and attach the missing forms to the PO. Two state entities submitted the Emergency Justification Form after they were contacted by SPD Audits. One state entity indicated that their PO was incorrectly coded as an emergency and should have been coded as a state entity contact PO.
3. There were eight POs totaling \$345,974, 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. Consequently, no emergency justification form would have been needed. These POs had the correct Emergency Justification Form attached.
4. We would like to commend Board of Regents, Coastal Pines Technical College, the Department of Defense, the Department of Human Services, Georgia Piedmont Technical College, the Department of Driver Services, Georgia State University, the Department of Natural Resources, North Georgia Technical College, and the Technical College System of Georgia 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](mailto: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
2. SPD Audits recommend that APOs and CUPOs, and state entity procurement staff be reminded of the requirements of Section 1.3.5 of the Georgia Procurement Manual before coding POs as “emergency.”
3. APOs and CUPOs should review the current (revised 07/01/2022) version of Form SPD-NI004 with procurement staff and business owners at their entity. They should also share the [Emergency Purchasing Policy Updates](#) webinar with the team and business owners involved in emergency procurements.