To: APOs and CUPOs

AUD #26-07

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

From: Audits, State Purchasing Division (SPD)

Date: August 28, 2025

Re: Audit of Emergency Purchase Orders (POs) issued by Team Georgia Marketplace™ and University System of Georgia entities in the months of May and June 2025

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 49 POs totaling $3.1 million classified as an emergency in the months of May and June 2025. Of the 49 POs audited, 47 POs totaling $3,084,824 were under the purview of the DOAS. The 47 POs were issued by 21 different state entities. The four state entities that issued the highest value of emergency POs from May and June 2025 accounted for 70% 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 May & June of Fiscal Year 2025

State Entities	PO Amount	Percent	PO Count
Department of Natural Resources	$1,340,426	43%	6
Central Georgia Technical College	$284,878	9%	1
Department of Corrections	$284,409	9%	5
Georgia Institute of Technology	$273,669	9%	5
Sources: 1) TGM_0EPO019D_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, 31 required an Emergency Justification Form. We were able to locate 29 (94%) Emergency Justification Forms. Seventeen (17) 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 13 POs.
2. There was one PO of $26,128, which fell under the Public Works/Construction exemption. Section 1.3.6.1 of the GPM refers to this exemption, which is only applicable to certain state entities such as the University System of Georgia. 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 was needed.
3. One PO should have been coded as exempt as the NIGP codes used on the PO are classified as exempt.
4. One PO should have been coded as T32E as the PO was related to a Title 32 procurement conducted by the Georga Department of Transportation.

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
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.