



**To:** APOs and CUPOs

**AUD #24-60**

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

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

**Date:** February 13, 2024

**Re:** Audit of Emergency Purchase Orders (POs) issued by Team Georgia Marketplace™ and University System of Georgia entities in the months of October 2023 through December 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 16 POs totaling \$3.4 million classified as an emergency in the months of October 2023 through December 2023. Of the 16 POs audited, 14 totaling \$3.2 million were under the purview of the DOAS. The 16 POs were issued by 13 different state entities. The four state entities that issued the most emergency POs from October 2023 through December 2023 accounted for 86% 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 second quarter of Fiscal Year 2024**

State Entities	PO Amount	Percent	PO Count
Department of Human Services	\$1,800,000	56.2%	1
Valdosta State University	\$474,018	14.8%	1
Georgia Gwinnett College	\$249,337	7.8%	2
Augusta Technical College	\$245,111	7.7%	1
Sources: 1) TGM_oEPOo19D_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 14 emergency POs under the purview of DOAS required an Emergency Justification Form. We were able to locate seven (50%) Emergency Justification Forms.
2. The state entities that issued the remaining seven 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.
3. There were two POs totaling \$249,337, 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. These POs did not have the correct Emergency Justification Form attached.
4. We would like to commend Georgia State University, the Department of Human Services, the Department of Natural Resources, the Department of Agriculture, Coastal Pines Technical College, Athens Technical College, and Augusta Technical College 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