



To: APOs and CUPOs

AUD #23-38

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

From: Audits, State Purchasing Division (SPD)

Date: February 14, 2023

Re: Audit of Emergency Purchase Orders (POs) issued by Team Georgia Marketplace™ and University System of Georgia entities in the months of November 2022 and December 2022

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.

The SPD Audit team will audit emergency POs monthly to ensure these policy updates are followed.

Audit Summary

SPD Audits identified 11 POs totaling \$1,572,432 classified as an emergency in November and December 2022. Nine POs totaling \$1,097,932 were under the purview of the DOAS, and two POs totaling \$474,500 were not. The emergency POs not under the purview of DOAS were issued by entities not subject to the State Purchasing Act (section 1.2.1.1 of the Georgia Procurement Manual (GPM)). The nine emergency POs under the purview of DOAS are summarized in **Table 1**.

Table 1
State Entities under the Purview of DOAS
Emergency POs issued in November-December 2022

State Entities	PO Amount	Percent	PO Count
Corrections, Department of	\$457,742	41.7%	3
Oconee Fall Line Technical College	\$365,675	33.3%	1
Natural Resources, Department of	\$91,000	8.3%	1
Kennesaw State University	\$75,686	6.9%	1
Wiregrass Georgia Technical College	\$60,617	3.9%	1
Central Georgia Technical College	\$26,875	2.4%	1
Labor, Department of	\$20,338	1.9%	1
Sources: 1) TGM_oEPO019D_PO_SPEND_BY_DATE; 2) BOR_OPO019D_PO_LIST_BY_BU_DTL; 3) PO data provided by Georgia Institute of Technology, Georgia State University, Augusta University and the University of Georgia.			

Audit Results

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

1. The nine emergency POs under the purview of DOAS required an Emergency Justification Form. We were able to locate six (75%) Emergency Justification Forms. One PO was related to an emergency in the prior fiscal year, which was being amended or updated to encumber funds for that emergency and complete the processing of invoices or required payments, and did not require that a new Emergency Justification Form be submitted.
2. The state entities, which issued the remaining two emergency POs, were contacted regarding the emergency justification forms and requested to take action to complete and attach the missing or correct forms to the POs.
3. We would like to commend the Department of Corrections, Oconee Fall Line Technical College, Wiregrass Georgia Technical College, and the Department of Natural Resources for correctly following the new emergency purchase procedures and completing the newly revised Emergency Justification Form for all emergencies.

Recommendations

1. SPD audits recommend that APOs and CUPOs, and state entity procurement staff be reminded of the requirements of Section 1.3.5 of the GPM before coding POs as “emergency.”
2. The state entities, which issued the remaining two emergency POs, were contacted regarding the missing forms and requested to take action to complete and attach the missing forms to the POs.
3. For existing emergencies that span fiscal years and now require longer-term solutions and procurements to resolve, APOs and CUPOs should seek advice, guidance, and approval as applicable from SPD Policy via process.improvement@doas.ga.gov before
 - a. encumbering additional funds on existing POs
 - b. creating new POs, or
 - c. extending a contractual relationship with a supplier