



FOLLOW-UP REVIEW • REPORT NUMBER 23-11 • APRIL 2026

## State Purchasing – Competitive Bidding

### Action taken to strengthen state controls

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**DOAA**

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## Performance Audit Division

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### Why we did this review

This follow-up review was conducted to determine the extent to which state entities addressed recommendations from our January 2024 special examination (Report #23-11).

The special examination evaluated state purchasing and competitive bidding, including a review of purchases to determine compliance with state competitive bidding requirements. In addition, we evaluated the design of both statewide and state entity controls related to competitive bidding, as well as information system design. Entities reviewed included the Departments of Behavioral Health and Developmental Disabilities, Community Health, Human Services, and Natural Resources, as well as the University of North Georgia and Georgia Southern University.

### About State Purchasing and Competitive Bidding

The State Purchasing Act governs the purchasing activities of most state entities. Related purchases that exceed \$24,999 are required to be competitively bid unless the good or service is exempt from competitive bidding requirements. The Department of Administrative Services' (DOAS) State Purchasing Division oversees the state's procurement functions and performs various monitoring activities to ensure compliance with state law, rules, and regulations. The vast majority of purchases are made without direct DOAS involvement because state entities have been granted their own purchasing authority.

## State Purchasing – Competitive Bidding

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#### What we found

Since our 2024 special examination, the Department of Administrative Services (DOAS) has published additional purchasing guidance, revised the Georgia Procurement Manual, and created a new online course for state procurement staff. DOAS has also expanded the scope of periodic purchasing audits. In addition, the other state entities reviewed have developed additional procurement procedures and begun periodic reviews of purchases.

#### State Entity Policies and Procedures

In the original report, we noted that DOAS has documented state policies related to competitive bidding requirements in the Georgia Procurement Manual (GPM), but state entities had different interpretations of provisions related to competitive bidding. State entity staff stated they follow DOAS policies outlined in the GPM; however, not all had sufficient procedures for implementing those policies within their agency or university.

Since the report's release, DOAS has published new guidance and updated the GPM to include additional clarification on competitive bidding and related purchases. The additional guidance contains multiple examples of purchasing scenarios and factors for agency procurement officers or college and university procurement officers to consider when determining whether purchases are related.

The state entities reviewed have also revised and/or created comprehensive, documented procedures for staff to follow during procurement activities. These procedures generally address all procurement office responsibilities.

#### Oversight and Monitoring Activities

Our original audit found that DOAS conducted various audits of state entity purchases to monitor compliance with the state competitive bidding requirements. The agency audited open market purchases (OMPs) above \$50,000, exempt purchases above \$100,000, emergency purchases, and the codes used to

identify the good or service purchased. We noted the risk of noncompliance with competitive bidding requirements due to the large number of OMP purchases below \$50,000 and direct-to-voucher purchases that were not audited.

Since the report's release, DOAS began auditing all OMP purchase orders of \$25,000 or more, significantly increasing audit coverage of state entity purchases. DOAS also began auditing direct-to-voucher purchases in fiscal year 2025, identifying more than 1,200 instances in which state entities exceeded the competitive bidding threshold when using this method. DOAS also indicated that proposed internal controls and improvements to the GA@WORK Enterprise Resource Planning (ERP) system will improve the agency's ability to audit purchasing orders after it is implemented in Summer 2026. Finally, DOAS lowered the threshold for exempt purchases audited from \$100,000 to \$25,000.

The GPM assigns procurement officers with responsibility for monitoring state entity compliance with administrative rules, which includes recommending that entities perform periodic reviews of recent purchases. Our original audit found that no state entity reviewed had a formal review process, and only two conducted informal reviews although they were not documented. All state entities reviewed have now established procedures for conducting periodic audits that range from weekly to quarterly reviews.

### ***Information System Controls***

We found that controls exist to ensure valid information is entered for some fields and approvals occur before requisitions can move forward. However, the TeamWorks system (used by state agencies) and GeorgiaFIRST (used by many universities) allow for inaccurate purchase type codes. We recommended that DOAS include additional information system controls in the forthcoming GA@WORK system that will replace TeamWorks. DOAS indicated that State Purchasing Division staff have been involved with the development of GA@WORK and have suggested multiple additional controls. However, due to the delay in implementation until Summer 2026, we are unable to determine the extent to which the new system will address the issues identified in the audit.

***Agency Response:*** *The agencies agreed with the current status of the findings and recommendations as stated in the report. Technical corrections to the report were made in response to agency comments when appropriate.*

The following table summarizes the findings and recommendations in our 2024 report and actions taken to address them. A copy of the 2024 special examination (#23-11) may be accessed at [State Purchasing - Competitive Bidding](#).

## Recommendations and Action Taken

**Status: 6 Findings**

**Substantially Addressed: 2   Partially Addressed: 1   Not Addressed: 0   No Recommendations: 3**

**Finding 1: State purchases largely comply with state competitive bidding requirements with a few exceptions.**

No recommendations.

**Finding 2: Statewide controls largely ensure purchases comply with competitive bidding requirements, though additional guidance and audits would likely lead to fewer noncompliant purchases.**

**Partially Addressed:** DOAS has published additional guidance and revised the Georgia Procurement Manual to include additional clarification on competitive bidding and related purchases. It has also expanded audits to include all open market purchase orders of \$25,000 or more, as well as direct-to-voucher purchases. However, delays in the implementation of the new GA@WORK system have prevented DOAS from implementing new information system controls.

Original Recommendations	Action Taken
<p>2.1 DOAS should provide additional clarification and examples on what constitutes a related purchase that would collectively count toward the \$25,000 competitive bidding threshold in the GPM. It should update relevant training with this additional clarification.</p>	<p>Fully Implemented – The State Purchasing Division (SPD) within DOAS has published additional guidance with multiple examples of purchasing scenarios and factors for agency procurement officers (APOs)/college or university procurement officers (CUPOs) to consider when determining whether purchases are related.</p> <p>Additionally, in February 2026, DOAS published a revised version of the GPM with revised language and new subsections related to competitive bidding and reasonably foreseeable or related purchases.</p>
<p>2.2 DOAS should conduct periodic audits of a sample of additional types of purchases between \$25,000 and \$50,000, as well as periodic audits of direct-to-voucher purchases that collectively exceed \$25,000 for a single supplier.</p>	<p>Fully Implemented – In fiscal year 2025, DOAS began auditing all open market purchase (OMP) purchasing orders (POs) for orders of \$25,000 or more and exempt POs of \$25,000 or more. DOAS previously audited OMP POs of \$50,000 or more and \$100,000 or more for POs coded as exempt. The change increased the dollar amount of POs audited by 66%. DOAS also began auditing direct-to-voucher purchases. In fiscal year 2025, the agency audited \$29.6 billion in vouchers and identified 1,208 instances in which a state entity paid a supplier \$25,000 or more in direct-to-voucher purchases.</p>

Original Recommendations	Action Taken
	<p>DOAS indicated that proposed internal controls and improvements to the new NextGen ERP system (GA@WORK) will improve the agency’s ability to audit POs after its implementation in Summer 2026.</p>
<p>2.3 In consultation with partner agencies, DOAS should include additional information system controls in the forthcoming NextGen ERP system.</p>	<p>Partially Implemented – DOAS indicated that SPD staff have been involved with the development of GA@WORK and have suggested multiple additional controls. These suggestions include:</p> <ul style="list-style-type: none"> <li>• Simplifying the classification of POs by reducing the number of types;</li> <li>• Creating PO types for procurements not under DOAS’s purview;</li> <li>• Requiring more mandatory fields on POs, such as contract and solicitation IDs, as well as additional documentation for certain PO types; and</li> <li>• Generating warning and error messages to assist with the proper creation of POs.</li> </ul> <p>DOAS staff stated these controls will make future procurement audits more efficient when GA@WORK is implemented in Summer 2026.</p>
<p>2.4 The University System of Georgia (USG) should ensure these additional controls are in place across all information systems used by its institutions.</p>	<p>Partially Implemented – Because GA@WORK and its new controls have not been implemented, USG cannot replicate these controls in its information systems. However, to detect whether the \$25,000 threshold has been exceeded, USG developed a query to identify all payments by vendor. All institutions that use the GeorgiaFIRST financial system are required to run this query and submit the results at the end of each fiscal year to USG’s Strategic Sourcing Division. Institutions that do not use GeorgiaFIRST are also required to review the same data and submit reports. Training based on the results of the reports was provided in December 2025, and USG indicated it plans to continue providing related trainings.</p>

**Finding 3: Opportunities exist to strengthen state entity controls related to competitive bidding requirements.**

**Substantially Addressed:** All state entities have documented additional procurement procedures and implemented periodic reviews of POs.

Original Recommendations	Action Taken
<p>3.1 Entities should have documented procedures or a series of checklists that cover all procurement office responsibilities from requisition approval to PO approval.</p>	<p>Fully Implemented – During the original audit, the Department of Community Health (DCH), the Department of Natural Resources (DNR), and USG had documented procedures and/or checklists in place for staff to use when conducting procurement activities. After our report’s release, the Department of Behavioral Health and Developmental Disabilities (DBHDD) and the Department of Human Services (DHS) created their own procurement procedures and checklists and DNR took additional steps to adopt the DOAS compliance manual into existing procedures.</p>
<p>3.2 Entities should conduct periodic formal reviews of recent purchases.</p>	<p>Fully Implemented – All state entities reviewed have established procedures for periodic reviews of recent purchases. For example, DBHDD and DCH review purchases weekly, while DHS conducts reviews bi-weekly.</p>

**Finding 4: State entities largely use exempt NIGP codes only for exempt items, though incorrect NIGP codes were observed for other purchases.**

**Substantially Addressed:** All state entities reviewed have developed procedures to review National Institute of Governmental Purchasing (NIGP) code use. In addition, DOAS has created an online training course on NIGP codes and exempt purchases.

Original Recommendations	Action Taken
<p>4.1 APOs/CUPOs should implement a process to ensure correct NIGP codes are used on all purchase orders.</p>	<p>Fully Implemented – All state entities reviewed have implemented procedures to review NIGP codes when creating new purchase orders and/or on a periodic basis. For example, DCH conducts weekly reviews of all NIGP codes and USG has developed a query for institution procurement staff to run as part of a monthly review process.</p>
<p>4.2 DOAS should provide a stand-alone course on NIGP code use for requestors, buyers, approvers, and APOs/CUPOs.</p>	<p>Fully Implemented – DOAS developed a new online training course using dashboards to analyze each state entity’s NIGP code use and code spend. The course, released in January 2026, reviews key concepts related to NIGP codes, exempt purchases, and documentation procedures for POs.</p>

**Finding 5: Controls are appropriately designed to discourage entities from using emergency purchases to bypass state competitive bidding requirements.**

No recommendations.

**Finding 6: State entities largely used statewide contract codes for purchases correctly, though information system controls should prevent other observed errors.**

No recommendations.

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