

Solutions to Frequently Detected Errors

February 2012

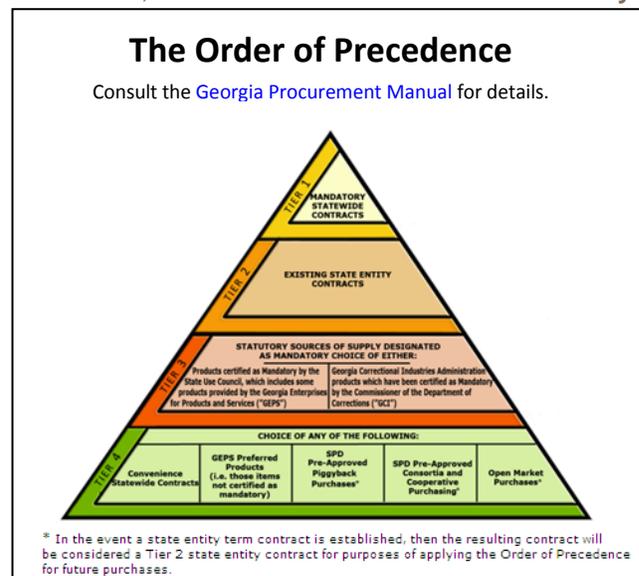
The greatest improvements can be made by an entity when errors/issues are found and *immediately* corrected. State Purchasing's (SPD) Process Improvement team constantly monitors statewide purchasing card transactions, purchase orders, and solicitations for compliance and have found several reoccurring problems. In order to help entities reduce their compliance risks, the team would like to bring attention to the most frequent issues being detected:

1) Not Using Statewide Contracts When Using the Purchasing Card

A number of transactions have shown that cardholders are not buying items on statewide contracts. Use of the purchasing card does not eliminate the need to buy from statewide contracts. Whether a purchase is reflected on a purchase order or a purchasing card transaction, use of the Order of Precedence is **always** required for sourcing a needed item.

SPD-Process Improvement recommends that entities educate their cardholders on how to find the proper source. Explaining the Order of Precedence to cardholders is most important so they will check to see if the items are on statewide contract before making a purchase.

As a reminder, if the item is on statewide contract and the entity chooses not to buy from the statewide contract source for various reasons, a [Statewide Contract Waiver Request Form, SPD-NI005](#), is required. The form must be submitted to the Process Improvement mailbox for approval before buying from another source.



2) Using Improper NIGP Codes

Monitoring spend by NIGP Codes is the most efficient and highly recommended way to track the need for potential entity contracts. When purchase orders are not coded correctly, this puts the entity at risk for being unable to appropriately track spending trends or accurately identify spend. In addition, understanding that State Purchasing uses statewide spend to detect opportunities for new statewide contracts, this coding problem also puts the state at risk.

A more frequent problem Process Improvement has found is where the entity selects a 5-digit code from an inappropriate 3-digit class. It is highly recommended that entities monitor their purchase orders for inaccurate NIGP Codes so that their spend is accurately categorized.

3) **Using Improper Purchase Type Codes**

The Process Improvement team has found that improper purchase type codes are attributed to both buying from the wrong source (i.e., not following the Order of Precedence), or just placing the wrong purchasing type code on the purchase order.

It is recommended that frequent reviews be conducted by those who create purchase orders so that these types of errors can be quickly detected and either corrected or prevented from future occurrences.

4) **Not Using Current Forms/Templates**

Process Improvement has found a number of occurrences where outdated forms/templates have been used. It is so easy for procurement professionals to use forms that have been saved to their desktops, but this practice is not recommended. Because various documents are revised periodically by State Purchasing, it is always a good practice for purchasers to go to [SPD's website](#) to retrieve the most current version of needed forms/templates.

5) **Not Following Bid or Sole Source Procedures**

The Georgia Procurement Manual (GPM) carefully documents all procedures necessary for developing, posting, and awarding bids or sole source notices of intent to award. The Process Improvement team has found a number of incidences where outdated procedures are being used, or the entity has failed to include important details outlined in the GPM. For example, a number of solicitations have been found where a notice of award (NOA) was not posted to the Georgia Procurement Registry within one day of contract award, as outlined in the GPM. This posting is also required by Team Georgia Marketplace™ users even though they are required to post the NOA in the system.

For those who have attended the How to Conduct a Self Audit (Compliance) and the Evaluating P-Card Program Management training courses, you have learned that the Process Improvement has a number of tools and guidance documents [available online](#) for state entity use. These tools will help you to ensure that compliance is met on purchasing card transactions, purchase orders, and solicitations.

Additionally, if you are interested in enrolling in one of the above courses, please visit the [State Purchasing training website](#) for more information. See you soon!