

**UNIVERSITY OF CALIFORNIA, DAVIS  
AUDIT AND MANAGEMENT ADVISORY SERVICES**

**UC Davis / UC Davis Health  
Procurement Processing and Service Ticketing  
Audit & Management Advisory Services Project #26-16**

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**Procurement Processing and Service Ticketing  
AMAS Project #26-16**

**MANAGEMENT SUMMARY**

**Background**

As part of the fiscal year (FY) 2026 audit plan, AMAS reviewed procurement processing and service ticketing.

Departments across UC Davis use various pre-purchasing approval and help desk systems to manage purchasing requests before they enter the formal financial system, Aggie Enterprise (AE). Multiple researchers rely on the efficiency of these systems for their procurement needs and grant compliance, which often involves specialized equipment and time-sensitive orders. Once an order request is initiated in AE via requisition submission, it is subject to review and approval by professional buyers from Procurement and Contracting Services at Supply Chain Management (SCM). Some of the actions taken include risk assessment, fiscal, legal, and personnel considerations, while addressing policy, processes, and regulatory obligations to comply with university requirements.

Appendix A shows the overall procurement process workflow from order request to payment, using the Online Pre-Purchasing (OPP) System<sup>1</sup> as an example.

**Purpose and Scope**

The purpose of this audit was to assess the procurement and service ticketing process in a research context. The aim was to identify bottlenecks contributing to procurement delays that impact research operations, and therefore, compliance with contracts and grants agreements.

In order to accomplish these objectives, we performed the following procedures:

- Interviewed SCM and department personnel and reviewed relevant knowledge base articles (KBA) to understand the procurement process workflow.
- Obtained and analyzed procurement data contained in AE.
- Performed trend analysis to identify potential bottlenecks.
- Selected and tested requisition and purchase orders to determine the root cause of procurement delays identified.

This review covered sponsored research requisitions created from January 2025 to March 2025.

**Conclusion**

As noted in the procurement process workflow in Appendix A, order requests are often entered to pre-purchasing systems for departmental approval before they are entered into the AE system. Subsequently, requisition and purchase orders are subject to multiple approval tiers depending on the purchase category and dollar amount of the order request. As such, the period between an order request in the pre-purchasing system and purchase order in AE

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<sup>1</sup> OPP is a cloud-based ticketing system developed in 2012 by the College of Agriculture and Environmental Sciences (CAES), specifically through the Computer Resources Unit (CRU).

depend primarily on the combined responsiveness of departmental administrators and supervisors, and SCM buyers.

We observed that once requisitions have cleared department-level pre-purchasing procedures and are entered into AE, they are reviewed and approved timely (within 10 business days – including departmental approval, capital asset approval, and tax approval). Similarly, we observed that most purchase orders are reviewed and approved timely by SCM (within 10 business days).

We conclude that procurement activities could benefit from a defined process that is streamlined and consistent across departments. Procedures and solutions in the various departments have been developed without the benefit of a campus wide strategy, resulting in siloed pre-approval and help desk systems that are likely to introduce redundancies into many workflows. Furthermore, this distributed problem solving has been in response to challenges that may no longer be relevant, for example those presented by systems such as KFS, which is no longer in use.

This observation indicates that there is opportunity for strategic reassessment and streamlining of department-level pre-approval activities.

We also conclude that there are opportunities for SCM to enhance monitoring and transparency by:

- Establishing and implementing a follow-up process on long outstanding withdrawn purchase orders, including guidelines for proper documentation of status updates.
- Revising the purchasing report to properly reflect the timeliness of requisition-to-purchase workflow.

This audit was conducted in conformance with the Institute of Internal Auditors' 2024 International Professional Practices Framework's (IPPF) Global Internal Audit Standards.

## **Observations, Recommendations, and Corrective Actions**

### **A. Department-Level Pre-Purchasing Activities**

**Redundant or obsolete pre-purchasing procedures at the department-level are likely to create unnecessary procurement delays.**

AE incorporates processes and internal controls designed to facilitate timely procurement. Some departments implement additional pre-purchasing processes that may serve a redundant or obsolete control function, and directly affect the timeliness of order fulfillment, which is essential to maintaining effective research operations.

As an example, OPP was designed to handle departmental pre-purchasing workflows, route approvals, and integrate with the campus financial system. It lacks a system of controls to monitor and manage its effectiveness and efficiency. Furthermore, it may have become redundant after UC Davis' migration to AE, which can provide pre-purchasing functionalities that had been lacking in the Kuali Financial System (KFS).<sup>2</sup> For instance, one intended purpose of OPP was to document approval of the Principal Investigator, a functionality that was not available in KFS. In AE, this may be incorporated through the Route Task function.<sup>3</sup>

The structure of OPP begins with primary organizations, which include financial departments, clusters, or centralized offices. Each organization comprises both administrative and non-administrative workgroups, which serve as the foundation for designing the approval workflow. For instance, a cluster typically includes:

**Administrative workgroup:** This consists of purchasers who process order requests, and account managers who review and approve them.

**Departmental workgroups:** These represent the individual department overseen by the cluster. Within these, requesters (e.g. lab staff) submit order requests, while approvers (e.g. principal investigators or supervisors) approve them.

Overall, there are over 2000 workgroups and each workgroup has the autonomy to configure roles that determine who can create, review, modify, and close tickets. This flexibility has led to siloed operations across clustered and centralized business offices, and potential bottlenecks and inefficiencies (listed below) in the pre-purchasing process.

**Duplicate approval:** Order requests in OPP must be approved by the Account Manager. Once the requisition is submitted in AE, it undergoes a second approval process by the Account Manager. For simple procurement requests, such as catalog purchases<sup>4</sup>, the requester may be able to submit requests directly to AE avoiding repetitive approval steps through the pre-purchasing system.

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<sup>2</sup> UC Davis's former financial system, Kuali Financial System (KFS) was replaced by Aggie Enterprise (AE) in January 2024.

<sup>3</sup> Per KBA KB009706 – Through the Route Task function “An existing approver can route for an additional approval outside of the normal routing log” and hierarchy of the original approver is retained.

<sup>4</sup>The procurement module in AE features multiple supplier catalogs and is the preferred method of purchasing supplies and capital assets (at or over \$5K). This process allows requesters to buy from a variety of contracted suppliers, as well as our on-campus Aggie Supply stores, with no per-order dollar limit.

Delayed approval: The pre-purchasing process can create a hold when requests are waiting for approval from unavailable or unresponsive supervisors.

Direct access: Requests that require clarification or additional information can slow down the procurement process. Without direct access to or from the SCM buyer, it can be difficult for the requester to determine outstanding information timely.

Audit trail: Order requests imported into AE include the order number in requisition description; however, not all orders are imported. Without a logged reference from OPP, there is a challenge to track requisitions that were part of the pre-purchase process, as no auditable record of the original request exists within AE. As a result, the process relies on the purchaser to include the order number manually in the AE document.

### **Recommendations**

We recommend SCM conduct a comprehensive assessment of pre-purchasing processes across UC Davis, including but not limited to OPP. The objective should be to identify specific outdated processes that contribute to procurement delays and evaluate opportunities to eliminate redundant, obsolete, or otherwise unnecessary processes. This evaluation should result in recommendations from SCM to pre-purchase users about where pre-purchasing activities can be eliminated or streamlined.

### **Management Corrective Actions**

- 1) By June 30, 2026, SCM will create a workgroup to evaluate pre-purchasing processes and make redesign recommendations as warranted. The workgroup should include representatives from both the departmental units and SCM to ensure a comprehensive assessment. Recommendations will be communicated to pre-purchase users and published on the SCM website.

Owner: SCM

## **B. Withdrawn Purchase Orders**

### **SCM lacks an effective follow-up process to ensure long outstanding withdrawn purchase orders are processed timely.**

Once a requisition is approved, a purchase order (PO) is generated with a "Pending Approval" status. Typically, within 1-2 days, SCM updates the status to "Withdrawn" to indicate the PO is actively being processed by a buyer. POs are expected to be reviewed and approved within 7-10 business days. In addition, buyers are responsible for following up with their customers for orders within their work list and documenting updates in the system.

Our review identified 106 POs with a "Withdrawn" status that were over 30 days old.<sup>5</sup> 16 out of 106 were for sponsored research.

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<sup>5</sup> Based on Buyer's Productivity Report as of 9/25/2025.

Fund Source/ Days	30-90	91-120	121-180	180+	Total
Sponsored Research	4	1	1	10	16
Other	35	7	14	34	90
<b>Total</b>	39	8	15	44	106

Our tested sample<sup>6</sup> also showed that notes intended to describe status of the POs were not sufficient or current.

Discussion with SCM revealed there are challenges managing POs due to constantly shifting priorities. SCM often relies on the department to determine urgency, which leads to a “squeaky wheel” effect where some POs are overlooked or fall through the cracks. Although SCM has implemented a process to monitor aged withdrawn POs, there is no established routine for periodic reviews and follow-up. Additionally, the lack of timely status updates reduces transparency and context needed by both the campus community and the procurement team.

**Recommendations**

To improve monitoring, SCM should establish a follow-up process on long outstanding withdrawn POs, regardless of whether the department has initiated contact. This process should include documentation of ongoing efforts within the document notes.

**Management Corrective Actions**

- 1) By December 15, 2025, SCM will establish and implement a follow-up process for long outstanding withdrawn POs, including guidelines for proper documentation of status updates.

Owner: SCM

**Opportunity for Improvement**

**C. Purchasing Report**

**The UCD Requisition and Purchase Order Activity report does not provide sufficient information to determine the timeliness of the requisition-to-purchase order workflow.**

The UCD Requisition and Purchase Order Activity report allows users to view transaction activity on requisitions, as well as on any related PO document(s). It includes the initiator’s name, requisition creation date, requisition approval date, purchase order creation date, purchase order approval date (among other key information such as value, fund source, and financial department).

The requisition approval period refers to the duration between the date a requisition is submitted and the date it is approved. Requisitions remain in the initiator’s queue upon creation and are not visible to the approvers until they are formally submitted. The report

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<sup>6</sup> Our tested sample included four out of sixteen purchase orders for sponsored research.

does not capture the requisition submission date, which limits visibility into the amount of time between creation and submission of a requisition. This information would indicate whether any delays in processing were attributable to the initiator.

The PO approval period refers to the duration between the requisition approved date and the purchase order approved date. Once a PO is approved, it becomes active and available for the department to use. Occasionally changes are made to the PO subsequent to approval. The report, however, inaccurately captures the last order change date as the "PO Approved Date." It does not contain a field for the original date on which a PO was approved. Since order changes vary case by case, this timestamp does not accurately represent how promptly SCM approved a PO.

### **Recommendations**

To ensure transparency and accurate tracking, a "Requisition Submission Date" field should be included in the report, and the "PO Approved Date" field should be replaced by two new fields, an "Original PO Approved Date" field and a "Changed (or Updated) PO Approved Date" field. This will allow reports to reflect both the date the PO was first approved as well as the date the current version was approved.

Owner: SCM

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**Appendix A: Request to Payment Workflow**

