

Software Management and Support Audit

Objective

The objective of this audit is to determine whether the City adequately manages software licenses and related costs while maintaining licensing requirements.

Scope and Methodology

Scope includes the City's software license management in fiscal years 2021 and 2022. To complete this audit, the following steps were performed:

- Researched leading practices related to software license management such as GAO Federal License Software Licenses Audit and Software License Management Leading Practices;
- Interviewed key personnel in Finance and Information Technology and surveyed department directors on the primary support call for departmental software (City IT Staff or Software support);
- Reviewed policies and procedures relevant to the City's management of software licenses;
- Analyzed spending information related to software licenses;
- Evaluated internal controls related to the City's management of software licenses; and
- Evaluated the risk of fraud, waste, and abuse with regard to the City's management of software licenses.

Background

The City contracts with over 100 various software applications to conduct the various business needs throughout City departments. The City has large contracts for software licenses that span across all departments such as Microsoft and New World enterprise software as well as multiple smaller contracts for department specific software. The City budgets approximately \$1,200,000 each fiscal year for the rights to use needed software and for related technical support.

What Was Found **Overall the IT Department is developing steps to ensure best practices are followed. More robust training needs to be developed to keep City staff up to date on the various softwares used.**

According to GAO's Leading Practices for Managing Software Licenses, five practice areas should be implemented.

Leading Practice	City of Bowling Green Status on Leading Practice
Centralized Management	With the FY2023 budget requests, IT management, along with the City's CFO, reviewed all software budgets to centralize the management for citywide software. Only a handful remain in the departmental budgets for specific reasons such as grant requirements, but they are still overseen by IT. A revamp of the Computer Procedures and Ethics Policy was also approved in July 2022, which is the first substantial update since 2017.
Establish software license inventory	A software inventory was created with the promotion of the new IT Director in fall of 2021.
Track and maintain inventory	The IT Director maintains a spreadsheet to track licenses, vendor information, costs, licensing specific notes and renewal dates for all softwares.
Analyze software license data	Audit surveyed primary support for 46 departmental softwares to determine how many relied mainly on the City's IT or the software support as the first call for support needs. 63% relied solely on the City's IT staff for support. A review was also performed on 7 more expensive softwares where we are charged per user, to review number of users and related tracking of license data.
Provide sufficient training	Training has been very limited, especially since the COVID-19 pandemic. New IT staff, promotions and the reshuffling of software responsibilities have also impacted training. Each analyst will have training as an objective in their FY2023 performance objectives to encourage staff to create and conduct training for City employees.

For the further audit details, contact Deborah Jenkins, City Internal Auditor at Deborah.Jenkins@bgky.org