



IAITAM ACE

May 7-9, 2024 The M Resort  Las Vegas, NV

Gotchas of managing a software audit

Danielle Kraft, SHI

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Audience Question

Who has gone
through a Software
Audit in the last
12 months?

Anyone in the last
12-24 months?



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Audience Question

Is there anyone
who has **NOT**
experienced a
Software Audit?



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Our Journey Today

1

**Software Audits –
Why they happen,
Misconceptions &
Common
Challenges**

2

**5 Gotchas in
Software Audits**

3

**Best Practices
to avoid the
Gotchas**



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Software Audits – Why they happen?



License
Compliance
Verification



Revenue
Assurance



Security | Piracy
Prevention



Contract
Enforcement



Risk
Management



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Misconceptions about Software Audits

01

You will be notified before an audit

02

Only large companies are audited

03

Freeware is always free

04

Software audits are always negative

05

Only the IT department is responsible for software compliance



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Common challenges with Software Audits



Neglecting to plan
for audits / lack of
preparation



Incomplete software
inventory



Inadequate
documentation /
record keeping



Misunderstanding of
software licensing
terms



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Gotcha #1

95% Rule - Inventory vs. Active Directory



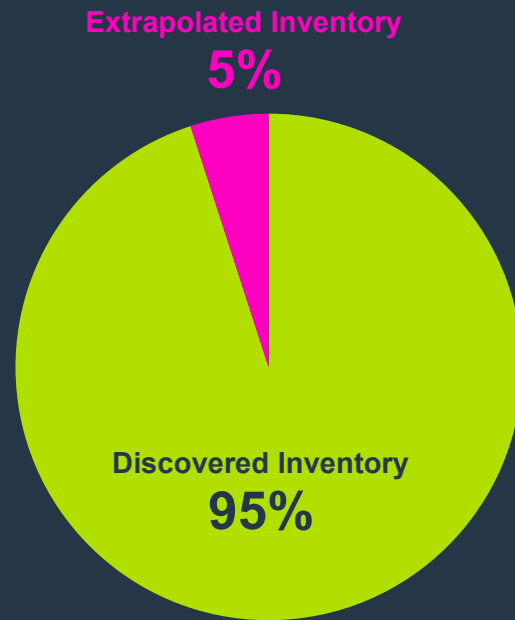
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Gotcha #1

95% Rule - Inventory vs. Active Directory



If you can account for 95% of your inventory, the data from that can be extrapolated to represent 100% of the inventory.



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Gotcha #2

Installation = Use



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Gotcha #2

Installation = Use



Not used = No License



User based Subscription = Automatically Compliant

Look out for
hidden language in your
contract.



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Gotcha #2

Effect of not knowing that an Installation = Use



Auditors
required
licenses on a
1:1 basis



\$60,000
Compliance Risk



Running application on 8 servers



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Gotcha #3

Auditor Scripts versus Internal Tooling



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Gotcha #3

Auditor Scripts versus Internal Tooling

Auditor Scripts

Internal Tooling

✗ Not Controlled	Familiarity	✓ Controlled
✗ Potential Errors	Reliability	✓ More Accurate
✗ Unverified & Not Trusted	Data Quality	✓ Verified & Trusted
✗ Excessive and Unnecessary data	Data Sources	✓ Only necessary data



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Gotcha #3

Auditor Scripts versus Internal Tooling

Auditor Scripts

Internal Tooling

Internal tools =
data reviewed and reconciled



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Gotcha #4

Third Party Product Dependencies



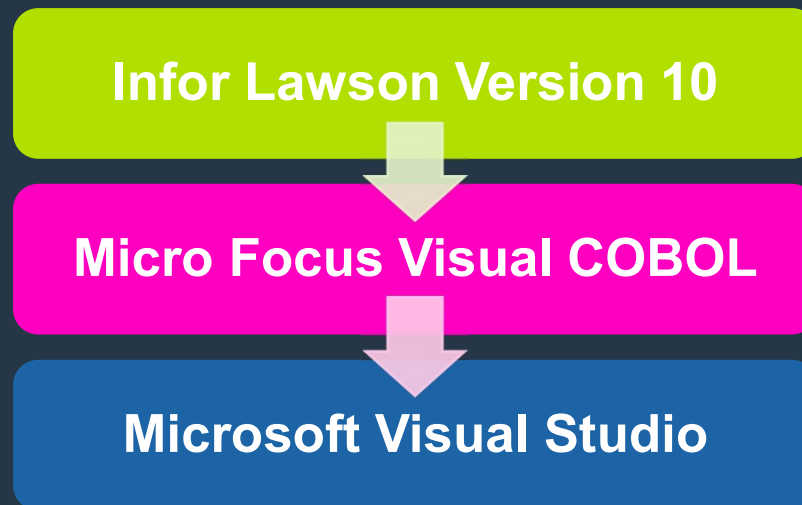
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Gotcha #4

Third Party Product Dependencies



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Gotcha #4

Third Party Product Dependencies

Interlock Version 10

Understanding product dependencies
is **critical** to ensuring **compliance**.

Microsoft Visual Studio



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Gotcha #4

Effect of not knowing about Third Party Product Dependencies



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Gotcha #5

Cloud Migration - Terms & Conditions



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Gotcha #5

Cloud Migration - Terms & Conditions



Original equipment manufacturer (OEM)

- Lack of Transferability
- No publisher provided maintenance or support benefits
- No cloud mobility rights
- Compliance Risks
- Hidden costs



Azure vs AWS (other cloud providers)

- Licensing and Usage Policies differ
- Hybrid Benefit only available with Azure
- Vendor Lock-In
- Integration with Existing Systems could present a challenge



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Best practices to avoid the Gotchas



Regular self-audits



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Best practices to avoid the Gotchas



Understanding terms and conditions in license agreements



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Best practices to avoid the Gotchas



Use software asset management tools



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Best practices to avoid the Gotchas



Regularly update
software inventory



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Best practices to avoid the Gotchas



Plan for cloud migration



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Best practices to avoid the Gotchas



Documentation



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“Like a surfer on Hawaii's towering waves, navigating a software audit requires mastering the ebb and flow of complexities. Don't let hidden gotchas wipe you out - stay alert and ride the tide of understanding all the way to the shore of compliance.”

~ Anonymous



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