IAITAM ACE
May 7–9, 2024 The M Resort Las Vegas, NV
Gotchas of managing a software audit
Danielle Kraft, SHI
Finding your IAITAM Oasis

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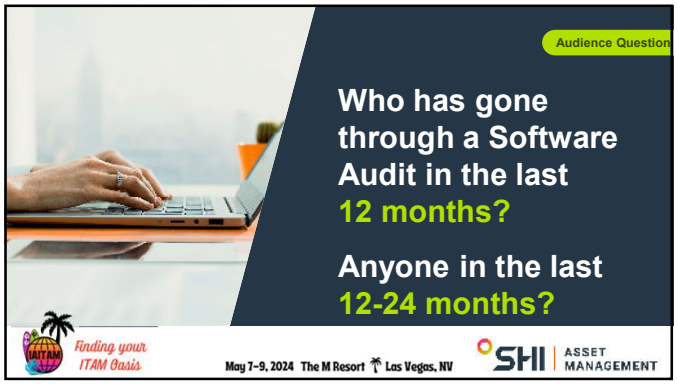
Audience Question
Who has gone through a Software Audit in the last 12 months?
Anyone in the last 12-24 months?
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Audience Question
Is there anyone who has NOT experienced a Software Audit?
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Our Journey Today
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Software Audits – Why they happen, Misconceptions & Common Challenges
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5 Gotchas in Software Audits
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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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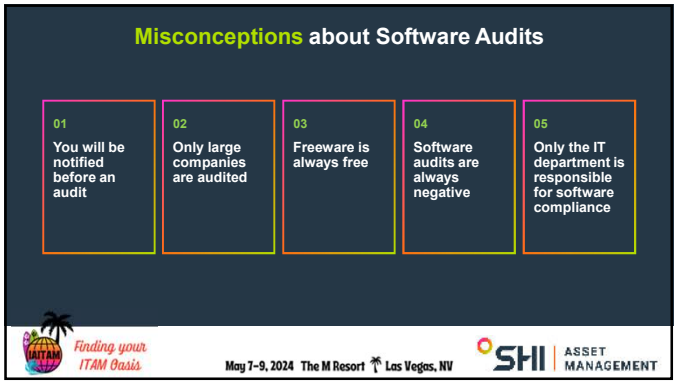
Misconceptions about Software Audits
01
You will be notified before an audit
02
Only large companies are audited
03
Freeware is always free
04
Software audits are always negative
05
Only the IT department is responsible for software compliance
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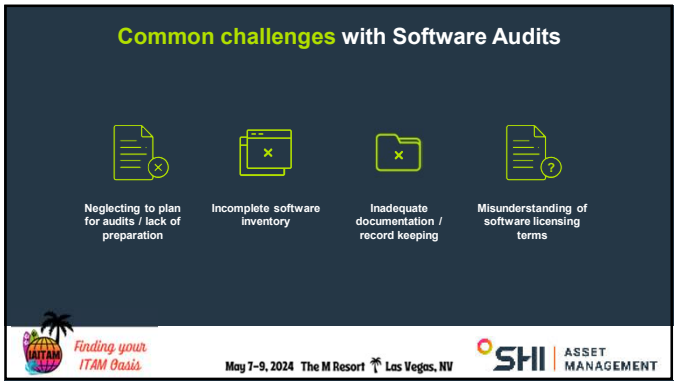
Common challenges with Software Audits
Neglecting to plan for audits / lack of preparation
Incomplete software inventory
Inadequate documentation / record keeping
Misunderstanding of software licensing terms
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Gotcha #1
95% Rule - Inventory vs. Active Directory

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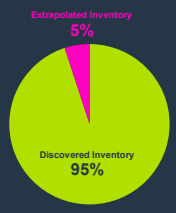
Gotcha #1
95% Rule - Inventory vs. Active Directory



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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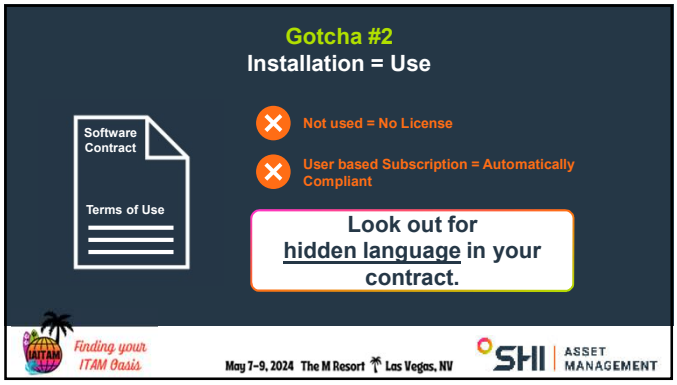
Gotcha #2
Installation = Use
Software Contract
Terms of Use
Not used = No License
User based Subscription = Automatically Compliant
Look out for hidden language in your contract.
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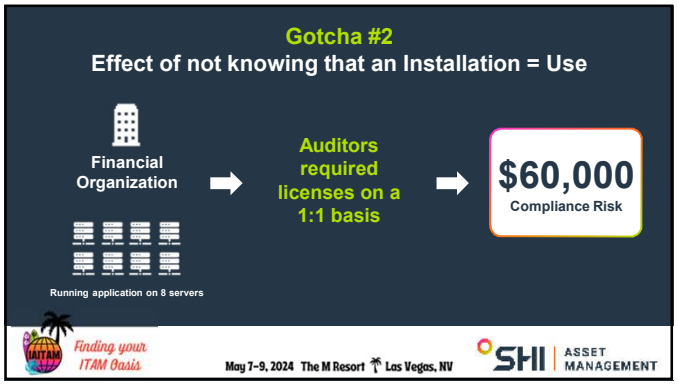
Gotcha #2
Effect of not knowing that an Installation = Use
Financial Organization
Running application on 8 servers
Auditors required licenses on a 1:1 basis
$60,000
Compliance Risk
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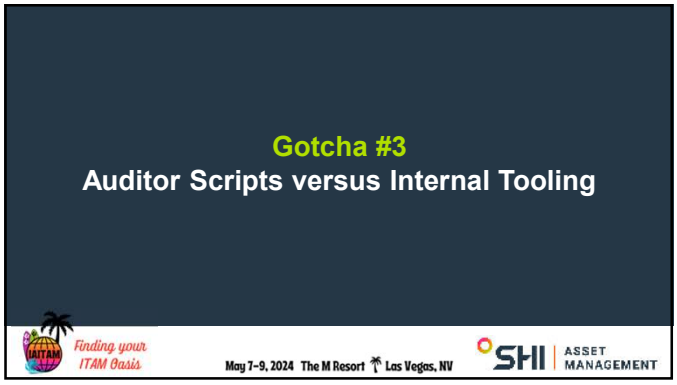
Gotcha #3
Auditor Scripts versus Internal Tooling
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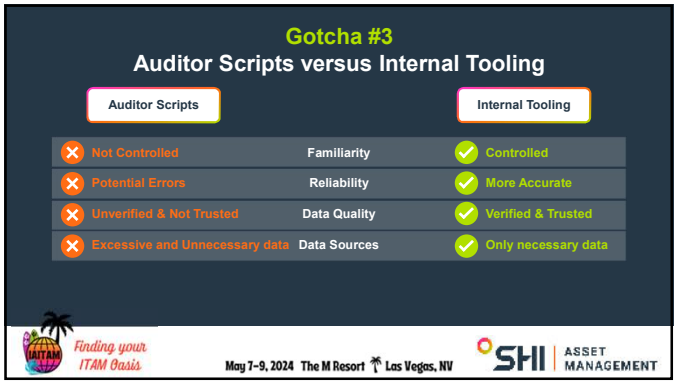
Gotcha #3
Auditor Scripts versus Internal Tooling
Auditor Scripts
Internal Tooling
Not Controlled
Familiarity
Controlled
Potential Errors
Reliability
More Accurate
Unverified & Not Trusted
Data Quality
Verified & Trusted
Excessive and Unnecessary data
Data Sources
Only necessary data
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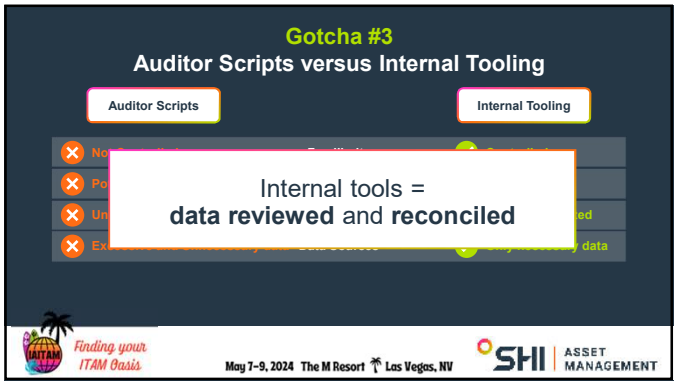
Gotcha #3
Auditor Scripts versus Internal Tooling
Auditor Scripts
Internal Tooling
Internal tools =
data reviewed and reconciled
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Gotcha #4
Third Party Product Dependencies
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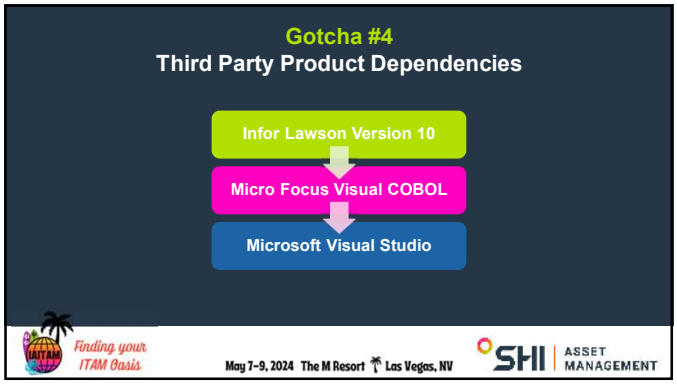
Gotcha #4
Third Party Product Dependencies
Infor Lawson Version 10
Micro Focus Visual COBOL
Microsoft Visual Studio
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Gotcha #4
Third Party Product Dependencies
Understanding product dependencies is critical to ensuring compliance.
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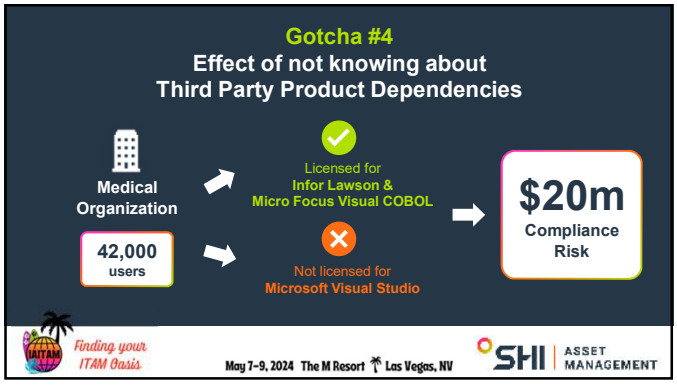
Gotcha #4
Effect of not knowing about
Third Party Product Dependencies
Medical Organization
42,000 users
Licensed for Infor Lawson & Micro Focus Visual COBOL
Not licensed for Microsoft Visual Studio
$20m
Compliance Risk
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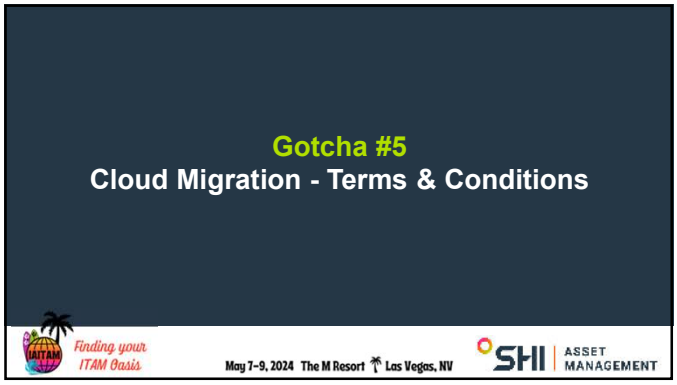
Gotcha #5
Cloud Migration - Terms & Conditions
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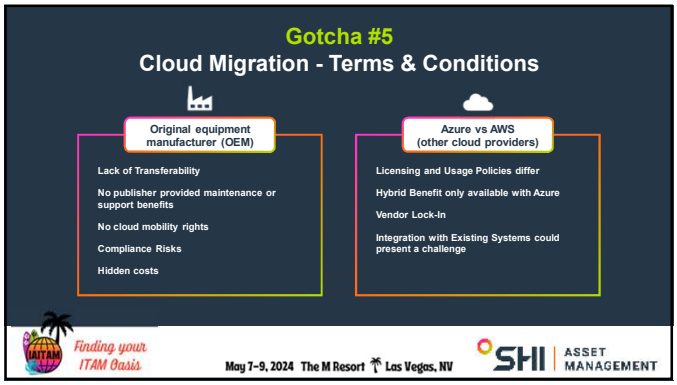
Gotcha #5
Cloud Migration - Terms & Conditions
Original equipment manufacturer (OEM)
Lack of Transferability
No publisher provided maintenance or support benefits
No cloud mobility rights
Compliance Risks
Hidden costs
Azure vs AWS (other cloud providers)
Licensing and Usage Policies differ
Hybrid Benefit 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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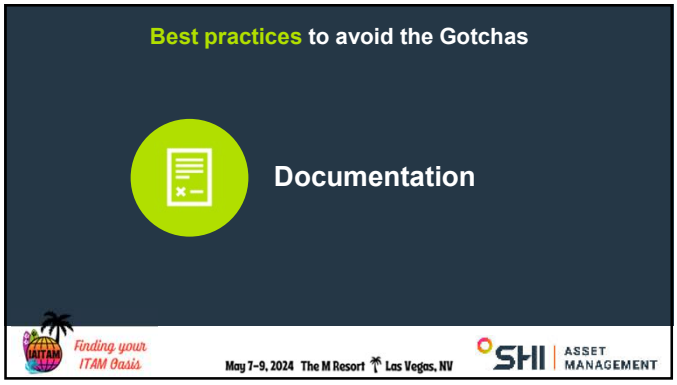
Best practices to avoid the Gotchas
Documentation
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Best practices to avoid the Gotchas
Regular self-audits
Understanding terms and conditions in license agreements
Use software asset management tools
Regularly update software inventory
Plan for cloud migration
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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