



# OAG

Office of the Auditor General

## Report Summary

### *Performance Audit*

### *Software License Management*

### *Department of Technology, Management, and Budget (DTMB)*

**Report Number:**  
**071-0527-22**

**Released:**  
**July 2022**

Software license management is a process to ensure software licenses, license entitlements, and license usage are accurately recorded. License purchasing and entitlement information is recorded in FlexNet, the State's software license management tool. The most optimal software license management helps minimize risks by ensuring cost-effective compliance with software licensing agreements. Software license management is DTMB's responsibility, in conjunction with State agencies. As of October 2021, State of Michigan workstations and servers contained approximately 3,200 commercially licensed software applications from approximately 650 software publishers.

Audit Objective			Conclusion
Objective: To assess the sufficiency of DTMB's software license management controls.			Not sufficient
Findings Related to This Audit Objective	Material Condition	Reportable Condition	Agency Preliminary Response
Better monitoring is needed to ensure cost-effective compliance with the State's software licensing agreements. For example, DTMB's monitoring did not enable it to calculate the total amount expended on software licenses, account for license usage for 9,000 devices, or coordinate purchases of licenses for software used by multiple State agencies ( <a href="#">Finding 1</a> ).	X		Partially agrees
As of September 2021, DTMB tracked software licenses and entitlement information in FlexNet for only 181 (6%) of the State's approximately 3,200 commercially licensed software applications ( <a href="#">Finding 2</a> ).	X		Partially agrees
Establishment and monitoring of metrics along with further implementation of centralized practices could foster improvements in software license management ( <a href="#">Finding 3</a> ).		X	Partially agrees

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