

GAO Highlights

Highlights of [GAO-14-413](#), a report to the Chairman, Committee on Homeland Security and Governmental Affairs, U.S. Senate

Why GAO Did This Study

The federal government plans to spend at least \$82 billion on IT products and services in fiscal year 2014, such as software licenses. Federal agencies engage in thousands of licensing agreements annually. Effective management of software licenses can help avoid purchasing too many licenses that result in unused software.

GAO was asked to review federal agencies' management of software licenses. GAO (1) assessed the extent to which OMB and federal agencies have appropriate policies on software license management, (2) determined the extent to which agencies adequately manage licenses, and (3) described agencies' most widely used software and extent to which they were over or under purchased. GAO assessed policies from 24 agencies and OMB against sound licensing policy measures. GAO also analyzed and compared agencies' software inventories and management controls to leading practices, and interviewed responsible officials. To identify sound licensing policy measures and leading practices, GAO interviewed recognized private sector and government software license management experts.

What GAO Recommends

GAO recommends OMB issue a directive to help guide agencies in managing licenses and that the 24 agencies improve their policies and practices for managing licenses. OMB disagreed with the need for a directive, but GAO believes it is needed, as discussed in the report. Most agencies generally agreed with the recommendations or had no comments.

View [GAO-14-413](#). For more information, contact Carol R. Cha at (202) 512-4456 or chac@gao.gov.

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FEDERAL SOFTWARE LICENSES

Better Management Needed to Achieve Significant Savings Government-Wide

What GAO Found

The Office of Management and Budget (OMB) and the vast majority of agencies that GAO reviewed do not have adequate policies for managing software licenses. While OMB has a policy on a broader information technology (IT) management initiative that is intended to assist agencies in gathering information on their IT investments, including software licenses, it does not guide agencies in developing comprehensive license management policies. Regarding agencies, of the 24 major federal agencies, 2 have comprehensive policies that include the establishment of clear roles and central oversight authority for managing enterprise software license agreements, among other things; 18 have them but they are not comprehensive; and 4 have not developed any. The weaknesses in agencies' policies were due, in part, to the lack of a priority for establishing software license management practices and a lack of direction from OMB. Without an OMB directive and comprehensive policies, it will be difficult for the agencies to consistently and effectively manage software licenses.

Federal agencies are not adequately managing their software licenses because they generally do not follow leading practices in this area. The table lists the leading practices and the number of agencies that have fully, partially, or not implemented them.

24 Major Agencies' Implementation of Software License Management Leading Practices

Leading practice	Fully implemented	Partially implemented	Not implemented
Centralized management	4	15	5
Established software license inventory	2	20	2
Tracking and maintain inventory	0	20	4
Analyzing software license data	0	15	9
Providing sufficient training	0	5	19

Source: GAO analysis of agency data.

The inadequate implementation of leading practices in software license management was partially due to weaknesses in agencies' policies. As a result, agencies' oversight of software license spending is limited or lacking, and they may miss out on savings. The potential savings could be significant considering that, in fiscal year 2012, one major federal agency reported saving approximately \$181 million by consolidating its enterprise license agreements even though its oversight process was ad hoc.

Given that agencies lack comprehensive software license inventories that are regularly tracked and maintained, GAO cannot accurately describe the most widely used software applications across the government, including the extent to which they were over and under purchased. Further, the data provided by agencies regarding their most widely used applications had limitations. Specifically, (1) agencies with data provided them in various ways, including by license count, usage, and cost; (2) the data provided by these agencies on the most widely used applications were not always complete; and (3) not all agencies had available data on the most widely used applications. Until weaknesses in how agencies manage licenses are addressed, the most widely used applications cannot be determined and thus opportunities for savings across the federal government may be missed.