

**Post-Audit Review 17-08:
Software Licenses**

November 2018

City Auditor

Stan Sewell, CPA, CGFM, CFE

Internal Auditor

Richard Walls, CPA, CIA





OFFICE OF INTERNAL AUDIT

Stan Sewell, City Auditor

November 21, 2018

To: Mayor Andy Berke
City Council Members

Subject: Post-Audit Review of Software Licenses (Report #17-08)

Dear Mayor Berke and City Council Members:

Attached is a summary report on the status of audit recommendations in our 2017 Software Licenses report. The purpose of this report is to confirm whether, and to what degree, management has implemented the recommendations made in the original audit.

The original audit concluded:

1. The existing policies and procedures related to the City's software licenses were not comprehensive enough;
2. There is not an inventory of installed software and related licenses; and,
3. There is not an audit of compliance with software licenses.

The audit had three recommendations to improve efficiency and effectiveness of software licenses. At the time of this Post-Audit Review, all three recommendations were not implemented. Recommendations not implemented are herein reported to the Audit Committee for follow-up, as appropriate.

This Post-Audit Review consisted principally of inquiries of City personnel and examinations of various supporting documentation. It was substantially less in scope than an audit in accordance with generally accepted government auditing standards. The evidence obtained provided a reasonable basis for our conclusions; however, had an audit been performed, other matters might have come to our attention that would have been reported to you and our conclusions may have been modified.

Sincerely,

Stan Sewell, CPA, CGFM, CFE
City Auditor

Attachment

cc: **Audit Committee Members**
 Stacy Richardson, Chief of Staff
 Maura Sullivan, Chief Operating Officer
 Daisy Madison, Chief Financial Officer
 Brent Messer, Chief Information Officer
 Jim Arnette, TN Local Government Audit

RECOMMENDATIONS NOT IMPLEMENTED (3)

Recommendation	Actions Taken
1 We recommended the Department of Information Technology (DIT) organize and expand written policies and procedures for the management of software and licenses. After issuance of the policies and procedures, DIT should provide suitable training to City Employees.	Work has been done to develop policies and procedures for software licenses. However, finalization and issuance are pending procurement of a solution to manage software licenses. Implementation is scheduled for January 2019.
2 We recommended the Department of Information Technology create and maintain a citywide inventory of installed software and licenses.	The IT department is currently working on the citywide inventory of installed software and licenses.
3 We recommended the Department of Information Technology periodically audit compliance with software licenses through examination of the City's computers. This may be accomplished with an automated software package, internally developed code, or periodic sample testing by designated DIT personnel.	An audit for compliance with the software licenses will be addressed using the software technology that will be acquired to manage software licenses.

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