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Management Practices

The Internal Revenue Service is not adequately performing software license management and is not adhering to Federal requirements and industry best practices for software used on desktop and laptop computers, according to a new audit report released by the Treasury Inspector General for Tax Administration.

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The Internal Revenue Service is not adequately performing software license management and is not adhering to Federal requirements and industry best practices for software used on desktop and laptop computers, according to a new [audit report](#) released by the Treasury Inspector General for Tax Administration.

Computer software is typically protected by Federal copyright law, which requires users of software programs to have a license authorizing such use. Software licenses are legal rights to use software in accordance with terms and conditions specified by the copyright owner. In its audit, TIGTA found that the IRS is not adequately performing software management. For example, the IRS does not have enterprise-wide or local policies, procedures and requirements for software license management.

The audit also found that the IRS does not have specialized software license tools designed to be the repository for software and software license deployment. These tools should be used to discover, track, manage and detect inactive usage of software. In addition, the IRS does not have an accurate inventory of software and related licenses that contains licensing models applicable to each software product which links data on the licenses purchased and deployed with the purchase costs, procurement information and monitoring and usage data.

“Efficient and cost-effective management of the IRS’s software assets is crucial to

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maintain the inventory with a specialized software licensing tool in order to more effectively manage software spending.

In their response to the [report](#), IRS officials agreed with all six recommendations, with slight modifications to four of them, and stated that they plan to take corrective actions.

Accounting • Auditing • IRS • Technology

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