

## What Is Software Compliance?

Essentially it's the terms and conditions that apply on the software licenses that are supplied when you install software on PC based systems, but it's actually much wider than that.

In a nutshell, software compliance is being able to demonstrate that you have the correct number of licenses paid for and accounted for on your systems compared and matched to what you have installed. "Matched" means reconciled to original invoices and includes upgrades from prior version software, so you also need to demonstrate that you have retained all the media as well.

Step out of line and you face the prospect of an all-consuming and expensive "true-up" process that may also involve fines and settlements when your organization is caught with an incorrect amount of under licensed software on your systems.

Software publishers will be red-hot on audits as they see that organizations find ways to trim costs, one of which might well be through reduced licensing and upgrades.

When organizations decide due to challenges around costs and keeping costs low, and they elect not to upgrade to the new releases of software or fail to add new seats to volume licensing agreements, or decide to remove seats from volume licensing agreements, one of the tactics software vendors may use is to insist on "true-ups" to identify non-compliances at customer sites. This may result in a Software Licensing Audit.

## Software Licensing (Compliance) Audit

From Wikipedia [http://en.wikipedia.org/wiki/Software\\_licensing\\_audit](http://en.wikipedia.org/wiki/Software_licensing_audit)

*"Software Asset Management is an organization process, which is outlined in ISO/IEC 19770-1. It is also now embraced within # ISO 27001:2005 Information Technology - Security Techniques - Information Security Management Systems - Requirements and ISO/IEC 17799:2005 Information Technology - Security Techniques - Code of Practice for Information Security Management.*

*Software Asset Management is a comprehensive strategy that has to be addressed from top to bottom in an organization to be effective, to minimize risk.*

*A software compliance audit is an important sub-set of Software Asset Management and is covered in the above referenced standards. At its simplest it involves the following:*

- 1. Identification of Software Assets.*
- 2. Verifying the Software Assets including licenses, usage, and rights.*
- 3. Identifying gaps that may exist between what exists on the installations, and the licenses possessed, and the rights of usage.*
- 4. Taking action to close any gaps.*
- 5. Recording the results in a centralized location with Proof Of Purchase records.*

*The audit process itself should be a continuing action, and modern SAM software identifies what is installed, where it is installed, its usage, and provides a reconciliation of this discovery against usage. This is a very useful means of controlling software installations and lowering the costs of licensing. Large organizations could not do this without discovery and inventory applications.*

*From time to time internal or external audits may take a forensic approach to establish what is installed on the computers in an organization with the purpose of ensuring that it is all legal and authorized.”*

Failing a software license audit can be a significant problem if you are unable to accurately account for what is installed on your systems and then you are unable to prove that what is installed, has been legally licensed through original proof of purchase records (invoices from suppliers) and original media.

A rule of thumb we have developed in terms of total costs for those who have been caught in the “Name and Shame Game” adopted by the industry vendors and their associations (BSA, SIIA and FAST) is that the total costs of a vendor audit that results in a settlement for a license infringement is around 3 to 4 times the published figures that appear in press releases!

It's a lot easier, more productive and less costly to be pro-active in this area and manage the situation under your own control and timeframes in-house!

## Not Sure What is On Your Systems?

***Failing to recognize and act on what you discover during an audit places you at risk!***

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***We will send you a FREE 1 page Acceptable Use Policy and Discovery Snapshot Audit which runs from USB, no installation, no training required and the User Manual is 1 page. Did we mention it was free?***

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**About the Author - PCProfile is an Adelaide based company with over 30 years practical computing experience in small, medium and large enterprises and offers managers and business owners in SMEs, and SOHO businesses practical tips and advice on how to get the best out of the technology used by your SME/SOHO business.**

**Rob Harmer is the owner of PCProfile and specialises in providing practical and relevant advice on Technology issues that are relevant for managing your business. For the last 19 years he has been a champion for anti-piracy advice and activities assisting businesses with keeping their systems compliant in the face of piracy of software. During the 1998 to 2000 years he played an active role with pragmatic advice for Year 2000 issues worldwide for PCs and managed the successful transition for a major high profile Year 2000 activity (covering 2 million lines of code and substantial legacy assets) at a defence site in Australia.**

**He has been running his small business PCProfile continuously since 1991 and has won prestigious IT awards in SA in 1994 and 1999 for IT excellence. Rob has published numerous articles on overseas audit community web sites and has been a contributor to the National Accountant IT section as well as other publications overseas. He has occupied various roles as a Senior Executive Manager with almost 40 years experience in computing at various levels, with significant achievements in all aspects of business management, finance accounting and commercial agreements, process mapping, risk management, staff development, coaching and training managers, organisational and cultural change, and business process improvements.**

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