REPORT TO MANAGEMENT ON
FOLLOW-UP AUDIT OF MICROCOMPUTER
LICENSING AND UTILIZATION
LAMAR INSTITUTE OF TECHNOLOGY
APRIL 2002
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April 29, 2002

Dr. Robert Krienke, President
Lamar Institute of Technology
P.O. Box 10043
Beaumont, TX 77710

Dear Dr. Krienke:

Enclosed is a copy of Report to Management on Follow-Up Audit of Microcomputer Licensing and Utilization, April 2002. The primary focus of the audit was to evaluate management’s progress in implementing the prior audit recommendations addressed in April 2001.

The audit is classified as a Category II based on criteria prescribed by the Rules and Regulations of The Texas State University System.

Management has fully implemented the four (4) prior audit recommendations. The Technology Services department of Lamar Institute of Technology has an information technology policies and procedures. Also, the department has a training plan for the faculty and staff. The department is responsible for all software purchases and licenses at the Institute. Finally, the Technology Services department has policies and procedures to standardize software application packages throughout the organization.

If you should have comments or questions, I am available at your convenience to review the report.

Sincerely,

Twila J. Baker, CPA
Director of Internal Audit
OBJECTIVES

The Internal Audit Plan for fiscal year 2002 provides for a follow-up audit of microcomputer licensing and utilization. The primary focus of the audit was to evaluate management’s progress in implementing the prior audit recommendations addressed in April 2001.

The original scope of the audit was to determine if the microcomputer user is aware of Lamar policies and current copyright laws regarding software piracy. We also performed tests for compliance with these policies and laws. Additionally, the focus of our review was to determine the current utilization of existing software as prescribed by State law.

The audit is classified as a Category II based on criteria prescribed by the Rules and Regulations of The Texas State University System.

RESULTS OF REVIEW

Management has fully implemented the prior four (4) outstanding recommendations. The status of the findings and recommendations are as follows:

Management has fully implemented the prior audit recommendations:

- The Technology Services department developed an information technology policies and procedures.
- The department developed a training plan for the faculty and staff.
- The department is responsible for all software purchases and licenses at Lamar Institute of Technology.
- The department developed policies and procedures to standardize software application packages throughout the organization.

CONCLUDING REMARK

We appreciate the assistance provided to Internal Audit by the staff doing our engagement.
REPORT TO MANAGEMENT ON
FOLLOW-UP AUDIT OF MICROCOMPUTER
LICENSING AND UTILIZATION

LAMAR INSTITUTE OF TECHNOLOGY
APRIL 2002

Lamar Institute of Technology
Dr. Robert Krienke, President
Mr. Jonathan Wolfe, Vice President for Finance and Operations
Mr. Isaac Barbosa, Director of Computer Services

The Texas State University System
Mr. J. Wiley Thedford, Vice Chancellor of Finance
Mr. Jerry W. Neef, Director of Audits and Analysis

Project Auditors
Ms. Twila Baker, Project Director
Ms. Daphne McIntire, Project Auditor
DETAILED FINDINGS
AND
RECOMMENDATIONS
POLICIES AND PROCEDURES

Prior Audit Recommendation:

We recommend management consider adopting a comprehensive management plan. The plan should cover all of the critical issues, including how software is purchased, installed, backed up, etc. With management’s support of this software management plan, we should not be at risk of becoming a defendant in a copyright infringement lawsuit. We would also recommend that each user be required to sign an anti-piracy statement.

Management has fully implemented the prior audit recommendation.

The Technology Services department of Lamar Institute has developed policies and procedures regarding hardware and software acquisitions, technical training, computer facilities and equipment, Internet usage, and the consequences of policy violations, as well as, the use of the Institute’s communication system.

RECOMMENDATION

There is no further recommendation for this finding.

Prior Audit Recommendation:

We recommend management continue their efforts to educate faculty, staff, and students about software piracy laws and the risks of not following them. A formal program within the organization is the most effective way to help people understand what practices are considered to be software piracy and that these practices are unacceptable. We further recommend management continue efforts to modify current policy that requires employees’ and students’ certification of software licensing policy.

Management has fully implemented the prior audit recommendation.

The Technology Services department has developed a comprehensive employee training program for faculty and staff in areas that will support the Institute’s mission, goals and objectives. The program’s mission statement is to:

- provide education and training for faculty and staff to enable them to effectively perform their duties;
• provide a mechanism for communicating rules, regulations and policies; and
• provide the Institute’s employees with the opportunity to obtain the knowledge and skills necessary to teach pursue creative endeavors and to provide quality services to our customers and community.

Also, the department has compiled a “new hire” packet that provides new and existing users about the Information Technology policies, procedures, and agreements.

Finally, the department is currently drafting a computer agreement policy that requires employees and students to sign and agree to abide by it. The department will implement the policy in summer of 2002.

**RECOMMENDATION**

There is no further recommendation for this finding.

**Prior Audit Recommendation:**

We recommend that one person coordinate all software purchases and be responsible for keeping a copy of the license agreement and the serial number of each software package purchased, as well as registering the software with the copyright owner.

**Management has fully implemented the prior audit recommendation.**

The Institute’s Technology Services department will be responsible for keeping a copy of the license agreement and the serial number of each software package purchased, as well as registering the software with the copyright owner.

The Information Technology Policies, Section. Computer Software Acquisitions states:

“All requisitions for computer operating systems and application software purchases must be funneled through the Director of Computer Services or the Technology Services department. The Technology Services department will track the purchase of all operating systems and application software packages. All original media and licenses will be archived by the Technology Services department.”

**RECOMMENDATION**
There is no further recommendation for this finding.

**Prior Audit Recommendation:**

We recommend that management consider standardizing software application packages that decrease cost in software purchases and greater efficiency throughout the organization.

**Management has fully implemented the prior audit recommendation.**

The Institute has developed policies and procedures to standardize software application packages throughout the organization. Also, the Technology Services department has implemented Microsoft Systems Management Server to track and monitor software licensing and utilization.

**RECOMMENDATION**

There is no further recommendation for this finding.