

Office of the
Internal Auditor

Engagement Report

November 2025

Software Asset Management



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Executive Summary

Background

Citizens relies on a wide range of software solutions to support its core operations, including enterprise resource planning, underwriting, claims and policy management, data analytics, compliance, cybersecurity, and infrastructure and operations management. With approximately 300 software solutions in use, each with varying renewal cycles, effective oversight is essential.

To manage this, VMAP has assigned overall responsibility for Software Asset Management (SAM) to the SAM Coordinator within VMAP. However, IT manages a significant number of software solutions. Currently, a comprehensive and unified SAM framework is absent. Governing documents assign SAM responsibilities to both VMAP and IT.

SAM is a structured discipline that ensures organizations track what software is installed, how it is used, and whether it is appropriately licensed. A mature SAM program helps reduce costs, ensure compliance with vendor terms, and mitigate security and reputational risks.

Objectives and Scope

Internal Audit assessed Citizens' SAM program maturity and effectiveness to determine whether appropriate governance, oversight, and controls are in place. Due to the nature of the findings during the discovery phase, the engagement concluded earlier than anticipated.

Results

Internal Audit found that Citizens' SAM program is currently in a foundational stage. While some favorable practices are in place, key elements such as a documented framework, standardized procedures, and clearly defined roles and responsibilities are still under development.

Positive practices observed include:

- VMAP uses automated tools to track software assets and entitlements.
- Software Center enables efficient fulfillment of software requests.
- VMAP actively investigates and removes unauthorized software.
- IT tracks software usage and associated licenses.
- IT identifies and reduces duplicate solutions through SME input and architecture review.
- Software solutions are categorized and reviewed by the information technology steering committee and information systems advisory committee.

While several sound practices are in place, VMAP and IT continue to operate through separate, largely independent processes. VMAP follows written procedures; IT relies more on institutional knowledge. This split makes it difficult to maintain a complete, accurate inventory of software assets and entitlements. Internal Audit's 2020 SAM advisory set out a leading-practices framework; comparing current activities to that framework shows notable gaps.

Conclusion

Citizens currently lacks a unified, documented SAM framework with consistent processes across the responsible teams. The SAM Coordinator within VMAP does not have full, enterprise-wide



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visibility into software assets. Internal Audit recommends management design and implement a SAM framework that includes:

- Clear roles and responsibilities.
- References to the SAM framework within relevant governing documents.
- Documented procedures.
- A central inventory of software assets and entitlements.
- Linkage to contracts and usage rights.

We appreciate the cooperation and professionalism of management and staff throughout this engagement.



Detailed Findings

1. Software Asset Management Program Governance

Classification	Medium	Control Evaluation	Control is not appropriately designed
Observation	<p>Citizens depends on a broad set of software tools—from enterprise platforms to specialized applications used by individual units. Effective SAM is needed to ensure these assets are tracked, appropriately licensed, and used efficiently.</p> <p>Internal Audit observed that while some SAM-related responsibilities are assigned to the SAM Coordinator and others to IT, Citizens does not currently operate under a unified, documented SAM framework. As a result, oversight of software assets is fragmented, and key elements of a mature SAM program, such as a centralized inventory, clearly defined roles, and standardized processes, are not fully in place.</p> <p>A gap analysis identified the following:</p> <ul style="list-style-type: none"> • Limited Oversight: The SAM Coordinator currently oversees approximately 5% of the software inventory. The remaining assets are overseen independently by IT and business units, with limited coordination. • Ambiguous Roles: Responsibilities for SAM are distributed across VMAP, IT, and other stakeholders, but are not clearly defined or consistently documented. • Incomplete Inventory: VMAP relies on multiple systems and manual processes to compile software data. A single, authoritative inventory of software entitlements and usage metrics does not exist. <p>A 2020 OIA advisory and leading practices recommend a structured SAM framework that includes centralized oversight, defined roles and responsibilities, and a comprehensive inventory of software assets. Typically, a designated SAM Coordinator is responsible for overseeing the full lifecycle of all software assets across the organization.</p>		
Cause	<p>The absence of a unified SAM framework appears to reflect competing priorities and constrained resources across VMAP and IT. Although both groups perform SAM-related work, the lack of a coordinated strategy and clear ownership has slowed full implementation.</p>		
Consequence	<p>Without a structured SAM governance model, Citizens is exposed to several risks, including:</p> <ul style="list-style-type: none"> • Non-compliance with software licensing agreements, • Increased financial exposure due to potential vendor penalties, • Inefficient software lifecycle management, • Security vulnerabilities from untracked or unauthorized software, 		



Detailed Findings

	<ul style="list-style-type: none"> Inaccurate reporting of software assets and entitlements. 		
Recommendation	<p>Establish and implement a formal SAM framework with governance and oversight that provides:</p> <ul style="list-style-type: none"> A documented framework covering the full software lifecycle, including the SAM function’s organizational placement, centralized oversight by the SAM Coordinator, and defined roles for IT, Information Security, Finance, and Contract Management. Updates to governing documents to reflect the framework and clarify responsibilities. Training and awareness to drive understanding and adoption of SAM practices. Enhancements to existing tools and inventories to support a single authoritative inventory for SAM purposes. 		
Agreed Management Response	<p>VMAP and IT will:</p> <ol style="list-style-type: none"> Collaborate to establish a SAM framework. Update relevant governing documents. Establish periodical training. Decide on the standardized tools to support SAM. 		
Responsible Individual	<p>Keri Dennis, Assistant Director, Vendor Relationship Management</p> <p>Sudheer Kondabrolu, Director, IT Infrastructure</p>	Completion Date	June 30, 2026



Distribution

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The Honorable Blaise Ingoglia, Chief Financial Officer
The Honorable James Uthmeier, Attorney General
The Honorable Wilton Simpson, Commissioner of Agriculture
The Honorable Ben Albritton, President of the Senate
The Honorable Daniel Perez, Speaker of the House of Representatives

The External Auditor

Completed under the direction of Joe Martins, Chief of Internal Audit.