

Further Actions Needed to Address Software License Management Challenges

GAO-26-109060

March 25, 2026

A statement for the record to the Subcommittee on Oversight and Investigations, Committee on Veterans' Affairs, House of Representatives

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What GAO Found

The Department of Veterans Affairs (VA) spends billions of dollars annually for IT and cyber-related investments, including commercial software licenses. In a January 2024 government-wide report, GAO noted that while VA identified its five most widely used software vendors with the highest quantity of licenses installed, it faced challenges in determining whether it was purchasing too many or too few of these software licenses. Specifically, VA was not tracking the appropriate number of licenses for each item of software currently in use. Additionally, the department did not compare inventories of software licenses that were currently in use to purchase records on a regular basis (see table).

GAO January 2024 Report Assessing the Department of Veterans Affairs' Management of Widely Used Software Licenses

Key activity	Assessment
Track software licenses that are currently in use	Not met
Regularly compare the inventories of software licenses that are currently in use to purchase records	Not met

Source: GAO analysis of agency data. | GAO-26-109060

Until VA adequately assesses the appropriate number of licenses, it cannot determine whether it is purchasing too many licenses or too few. In January 2024, GAO recommended that the department track licenses in use within its inventories and compare them with purchase records. VA concurred with the recommendations and is taking preliminary actions to track software license usage. In early March 2026, VA officials reported that the department plans to implement initial functionality for a centralized software license inventory in late March 2026. If successful, this could be a critical first step in improving the department's ability to track and analyze licenses across the department. Implementation of these recommendations would allow VA to identify opportunities to reduce costs on duplicate or unnecessary licenses.

In a November 2024 report, GAO found that restrictive software licensing practices (e.g., certain vendors' processes) adversely impacted federal agencies' cloud computing efforts, including those of VA. These practices either increased costs of cloud software or services or limited the department's options when selecting cloud service providers. VA had not established guidance for effectively managing impacts from restrictive practices for cloud computing or determined who is responsible for managing these impacts.

Until VA establishes guidance and assigns responsibility for mitigating the impacts of restrictive software licensing practices, it will likely miss opportunities to avoid or minimize these impacts. GAO made two recommendations to VA to mitigate the impacts of restrictive software licensing practices. The department concurred with the recommendations. In May 2025, VA officials reported that the department planned to stand up a working group composed of IT and acquisition subject matter experts to identify, analyze, and mitigate the impacts of restrictive software licensing practices on cloud computing efforts by September 2026. However, it has not provided an update on the status of the working group. GAO will continue to monitor VA's actions to fully implement these recommendations.

Why GAO Did This Study

VA depends on critical underlying IT systems to manage benefits and provide care to millions of veterans and their families. For fiscal year 2025, the department planned to spend about \$985 million on software, including commercial software licenses.

In 2015, GAO identified the management of software licenses as a focus area in its High-Risk report. GAO has also previously reported on the need for federal agencies—including VA—to ensure better management of software licenses.

This statement summarizes two 2024 GAO reports on VA software license management, including VA's efforts to track software license usage and manage restrictive licensing practices. The statement also addresses the status of VA's actions in response to recommendations from those reports. GAO reviewed its prior work, VA documentation related to the status of efforts to implement the recommendations, and information provided by VA in March 2026 as part of GAO's ongoing work.

What GAO Recommends

GAO made four recommendations in its two recent 2024 reports for VA to improve its management of software licenses and mitigate the effects of restrictive software licensing practices. The department concurred with the recommendations; however, it has not yet implemented them. It is essential that VA implements the recommendations to minimize costs and mitigate restrictive licensing impacts.