

# GAO's Work on Government Efficiency and Effectiveness

Presentation for the Shared Services Forum

U.S. Government Accountability Office

September 12, 2024

# Agenda

- ▶ Duplication and cost savings
- ▶ GAO's 2019 report on shared services
- ▶ Results: Financial and other benefits

# GAO's Duplication & Cost Savings Work



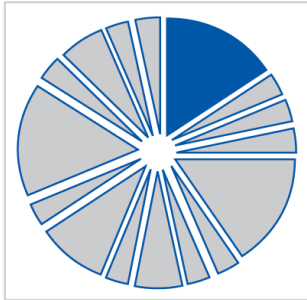
# Why GAO does this work

- ▶ The federal government is spending a lot more money than it is collecting, and addressing this imbalance will require changes to both federal spending and revenue policies.
- ▶ However, Congress and federal agencies could act now to address federal programs or activities that are fragmented, overlapping, or duplicative—which would save the government tens of billions of dollars.

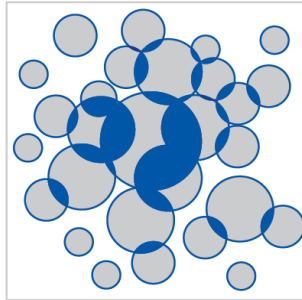


# Definitions

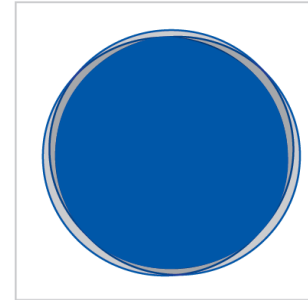
**Fragmentation** refers to those circumstances in which more than one federal agency (or more than one organization within an agency) is involved in the same broad area of national need.



**Overlap** occurs when multiple agencies or programs have similar goals, engage in similar activities or strategies to achieve them, or target similar beneficiaries.



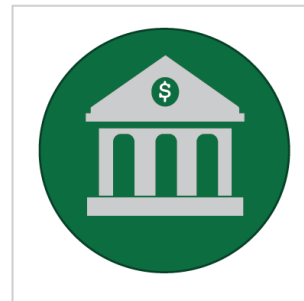
**Duplication** occurs when two or more agencies or programs are engaged in the same activities or provide the same services to the same beneficiaries.



**Cost Savings** refers to financial benefits from actions to reduce federal costs or better target federal resources.



**Revenue Enhancement** refers to financial benefits from actions to collect federal revenue.



# To do this, GAO looks at...

- ▶ Goals and outcomes
- ▶ Beneficiaries, customers, or other target population
- ▶ Key benefits, services, or products
- ▶ Administering agencies or agency organizational structure
- ▶ Appropriations or budget structure

# Identifying potential effects

- ▶ **Is there evidence that...**
  - Programs and agencies work together to provide logical and coordinated benefits, services, or products?
  - Roles and responsibilities are clear?
  - Related programs and outcomes are complementary?
  - Those who are eligible for benefits, services, or products are receiving them?
  - The collective provision of benefits, services, or products is economical and efficient?

# Example of positive effect

- ▶ In 2010, GAO found that the availability of multiple food and nutrition assistance programs provided at different locations within a community can increase the likelihood that eligible individuals seeking benefits from one program will be referred to other appropriate programs.

# Example of negative effect

- ▶ GAO found that program overlap can create the potential for unnecessary duplication of efforts for administering agencies, local providers, and individuals seeking assistance. Such duplication can waste administrative resources and confuse those seeking services.

# Approaches to improve government operations

- ▶ Improving coordination and collaboration within and across agencies
- ▶ Engaging in performance management activities
- ▶ Changing statutes, regulations, or guidance to revise or explicitly define the roles and responsibilities of agencies and program administrators
- ▶ Consolidating or streamlining programs
- ▶ Eliminating programs



# Leading interagency collaboration practices



**Define Common Outcomes**



**Clarify Roles and Responsibilities**



**Ensure Accountability**



**Include Relevant Participants**



**Bridge Organizational Cultures**



**Leverage Resources and Information**



**Identify and Sustain Leadership**



**Develop and Update Written Guidance and Agreements**

Source: GAO. Vector icons, GAO. | GAO-23-105520

# Shared Services

GAO-19-94

# GAO's 2019 report - background

- ▶ The federal government can reduce duplicative efforts and free up resources for mission-critical activities by consolidating mission-support services that multiple agencies need—such as payroll or travel—within a smaller number of providers so they can be shared among agencies.
- ▶ However, migrating to a shared services provider has not consistently increased cost savings, efficiencies, or customer satisfaction.

# GAO's 2019 report - findings

- ▶ Efforts to promote greater use of shared services for human resources (HR) and financial management activities resulted in some cost savings and efficiency gains.
- ▶ For example, the Office of Personnel Management estimates that shared services for HR, including payroll resulted in more than \$1 billion in government-wide cost-savings and cost avoidance between fiscal years 2002 and 2015.

# GAO's 2019 report - findings

- ▶ Challenges impeded more widespread adoption:
  - limited oversight
  - demand uncertainty among providers
  - limited choices for customers

# GAO's 2019 report - findings

- ▶ The Office of Management and Budget (OMB) and the General Services Administration (GSA) introduced a new marketplace model in 2018 meant to better meet the needs of customers and service providers by offering more choices for purchasing shared services.
- ▶ However, implementation weaknesses may hinder success.



# GAO's 2019 report - recommendations

- ▶ GAO recommended ways to improve their approach, such as documenting roles and responsibilities and tracking cost-savings data.
- ▶ The Office of Personnel Management (OPM) replaced GSA as the Quality Service Management Office for human capital shared services and is working on alternatives. GAO closed the recommendations as no longer valid.

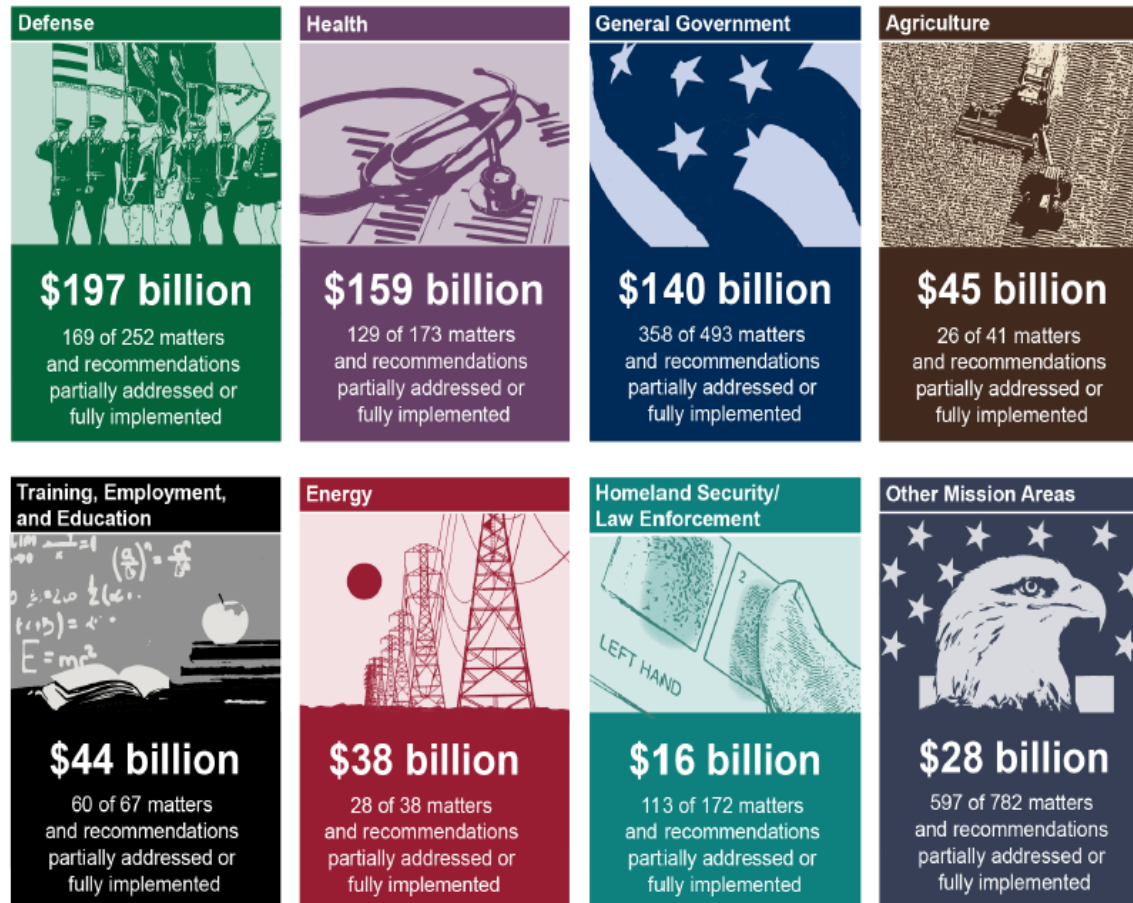
# Governmentwide Results

Why Do This Type of Work?

# GAO's results to date

- ▶ In its body of work on Duplication and Cost Savings from 2011-2024, GAO identified 2,018 recommended actions for Congress or executive agencies.
- ▶ GAO reported in 2024 that this has resulted in approximately **\$667 billion** in financial benefits.

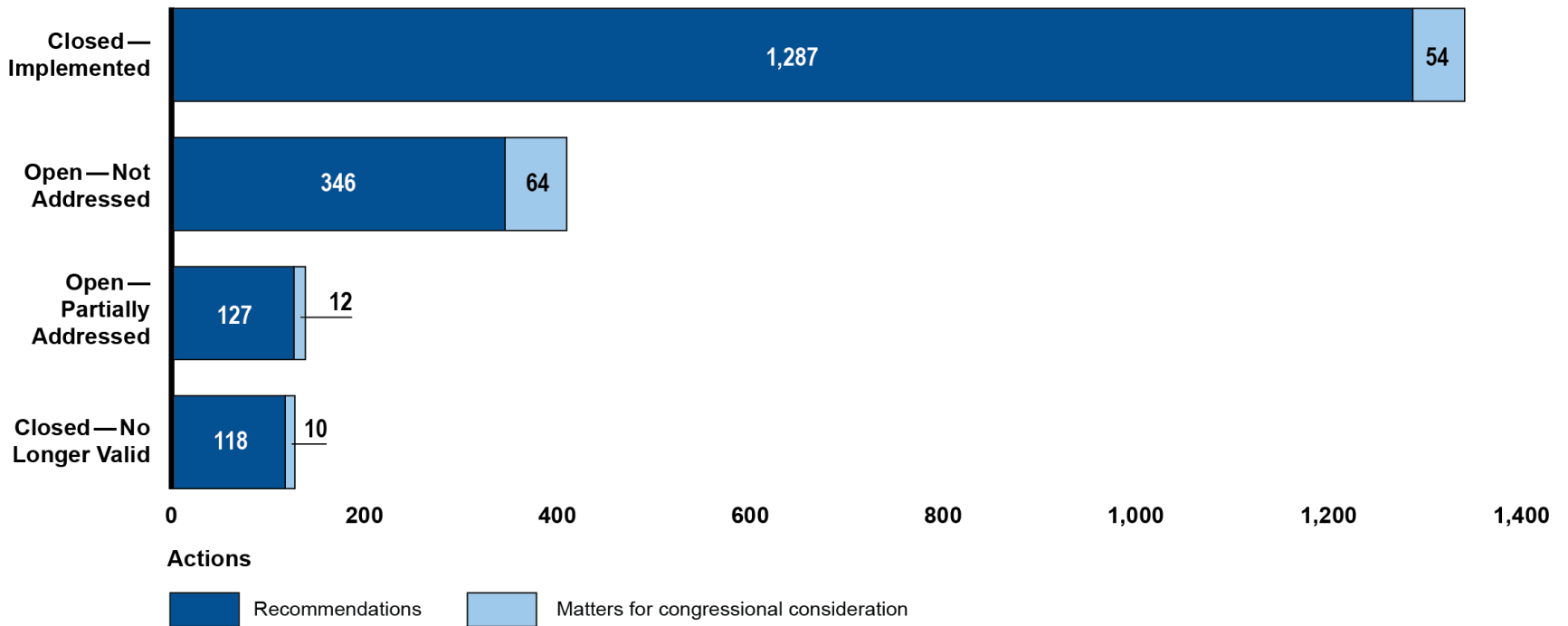
# Summary of 14 years of results, by mission area



Source: GAO, (images clockwise top left) Department of Defense, ronstik/stock.adobe.com, USDA, Marcus Horn/stock.adobe.com, PhotoDisc, ©Corbis, and Cheries/stock.adobe.com. | GAO-24-106915

# Progress

Status of Duplication and Cost Savings Matters and Recommendations, as of March 2024



Source: GAO. | GAO-24-106915

# Examples of implemented recommendations

- ▶ The Office of Management and Budget's (OMB) Category Management initiative directed agencies across the federal government to buy more like a single enterprise, beginning in fiscal year 2017, and reporting on agency performance against those targets beginning in fiscal year 2018. Savings of approximately **\$48.8 billion** from 2017 to 2021, according to OMB reporting.



# Examples of implemented recommendations

- ▶ In 2019 GAO recommended that agencies participating in OMB's Data Center Optimization Initiative (DCOI) meet data center closure targets, achieve cost savings, and meet optimization metric targets.
  - By closing data centers and optimizing its operations, the agencies support the shared services model through the centralized management of IT resources.
- ▶ As a result, agencies have achieved approximately **\$5.8 billion** in cost savings.

# Examples of implemented recommendations

- ▶ OMB launched the PortfolioStat initiative in 2012, encouraging federal agencies to consolidate IT investments and adopt shared service delivery models to reduce duplicative IT spending and improve efficiency.
- ▶ In 2014 GAO recommended developing complete IT asset inventories and consolidated commodity IT spending to promote centralized management and optimization of IT resources across agencies.
- ▶ By implementing recommendations in this report, agencies have achieved **\$4.25 billion** in financial benefits.

# What remains to be done

- ▶ GAO made recommendations in 2023 and 2024 regarding background investigations for positions within the federal government:
  - Congress should require DOD to develop a reliable program schedule and cost estimate for the National Background Investigation Services system—a new consolidated IT platform designed to replace legacy systems.
  - Agencies should better manage the fragmented efforts and avoid duplicative background investigations while the NBIS is still being developed.
- ▶ By implementing a centralized service provider for background investigations, agencies could reduce redundancy, streamline operations, and achieve cost savings.

# Resources

- ▶ [Duplication & Cost Savings](#) (gao.gov)
- ▶ 2024 Annual Report: Additional Opportunities to Reduce Fragmentation, Overlap, and Duplication and Achieve Billions of Dollars in Financial Benefits, [GAO-24-106915](#) (May 15, 2024)
- ▶ Streamlining Government: OMB and GSA Could Strengthen Their Approach to Implementing a New Shared Services Plan, [GAO-19-94](#) (Mar. 7, 2019)
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