



Untapped Billions: Unlocking the Full Potential of Federal Shared Services

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Overview

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GAO's Mission

- The U.S. Government Accountability Office (GAO) exists to support Congress in meeting its constitutional responsibilities and to help improve the performance and ensure the accountability of the federal government for the benefit of the American people.
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- GAO provides Congress, the heads of executive agencies, and the public with timely, fact-based, non-partisan information that can be used to improve government and save taxpayers billions of dollars.

What GAO Does



Source: GAO. | GAO-26-000644

GAO's IT & Cybersecurity (ITC) Team

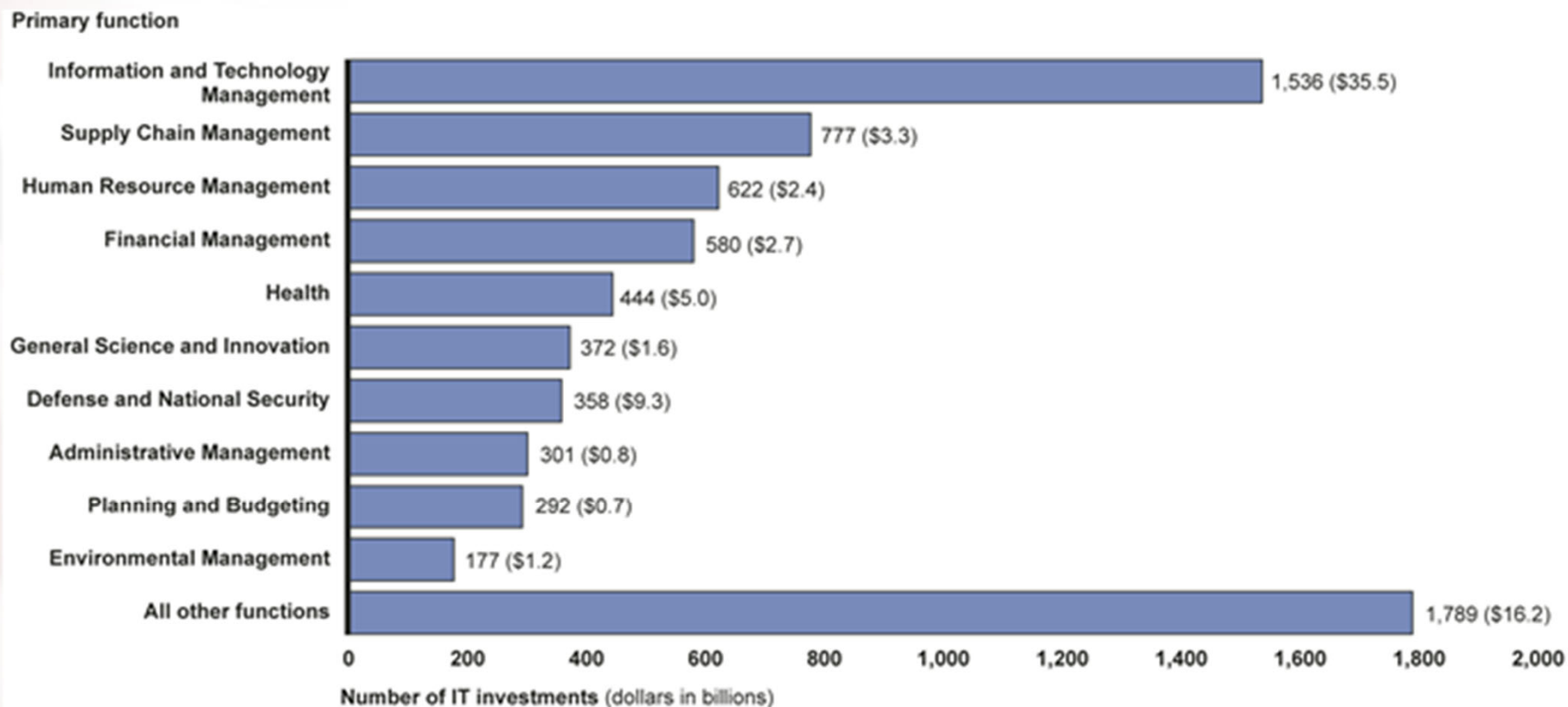
- GAO's ITC Team works to provide Congress with nonpartisan and independent insight into federal efforts to:
 - effectively and securely manage information technology,
 - ensure the cybersecurity of the nation, and
 - effectively manage the collection, dissemination and quality of government information.
- Over 200 auditors work in our Washington, DC headquarters and 3 field offices.

Why Shared Services are Important

- The federal government can increase efficiency and reduce duplicative efforts by consolidating certain mission-support services—such as financial management or human resources—within a smaller number of service providers.
- Shared services show promise for increasing government efficiency and decreasing costs to the taxpayer.
- Shared services improvement ties into our long-standing body of work on *Improving the Management of IT Acquisitions and Operations* – a GAO-designated high-risk area.
 - GAO began reporting on duplicative IT investments in 2011.
 - This work is carried forward as part of our annual report on federal Duplication & Cost Savings, and biannual updates to our High-Risk List.

State of Federal IT Investments - 2011

Number of Government IT Investments by Primary Function, as of July 2011



Source: GAO analysis of exhibit 53 data. | GAO-12-241

Executive Branch Actions

- Executive branch guidance and directives on shared services:
 - OMB M-19-16 (April 2019): *Centralized Mission Support Capabilities for the Federal Government*
 - EO 14220 (March 2025): *Eliminating Waste and Saving Taxpayer Dollars by Consolidating Procurement*
 - EO 14275 (April 2025): *Restoring Common Sense to Federal Procurement*
 - EO 14271 (April 2025): *Ensuring Commercial, Cost-Effective Solutions in Federal Contracts*
 - 2025 PMA Goal: *Deliver Results, Buy American*
- March 2026 breaking news:
 - OMB announces GSA as the QSMO for government-wide acquisition optimization
 - OPM announces the creation of a new human resources shared service center

Congressional Interest Remains Strong

For the last several years, we have reported on federal agencies' efforts to implement shared services, and on the progress that oversight agencies have made to help federal agencies in those efforts.

- [GAO-19-94](#) (March 2019) – *Streamlining Government: OMB and GSA Could Strengthen Their Approach to Implementing a New Shared Services Plan*
- [GAO-24-106164](#) (January 2024) – *Grants Management: Action Needed to Ensure Consistency and Usefulness of New Data Standards*
- [GAO-26-107895](#) (December 2025) – *Financial Management Shared Services: Progress and Identified Challenges*
- [GAO-26-108014](#) (February 2026) – *Federal Shared Services: Adoption Challenges Underscore the Need for Consistent Leadership*

What We Reviewed

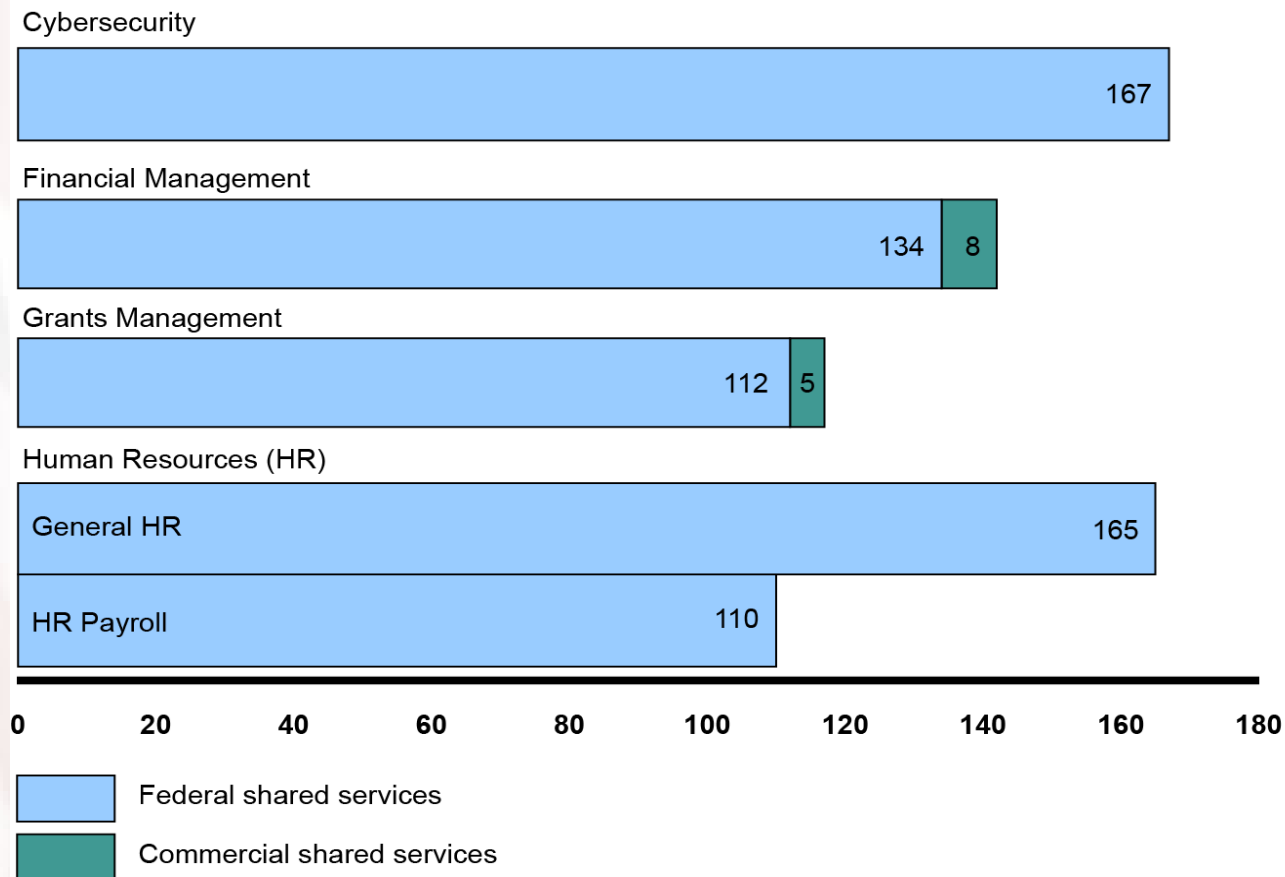
For our February 2026 report we:

- interviewed officials and analyzed documentation from GSA and the 4 Quality Service Management Offices (QSMOs) to determine government-wide federal shared service adoption, benefits, barriers, and challenges.
- administered a questionnaire to eight selected agencies on shared services' adoption, benefits, barriers, and challenges. The agencies included a mix of four CFO Act and four non-CFO Act agencies to capture a range of experience and perspectives.
- reviewed efforts by OMB, GSA, and the QSMOs to mitigate challenges to shared services adoption.

Agencies Recognize Shared Services' Potential

- There is widespread recognition that shared services have the potential to provide various benefits to the federal government, including
 - reducing duplication by supporting common functions across government agencies;
 - improving service quality by consolidating expertise in certain functions, thereby reducing the risk of error or delays; and
 - leveraging the consolidated buying power of the government, thereby representing an effective use of resources.
- Officials from the eight selected agencies in our review identified aspects of shared service adoption that streamlined their agencies' internal processes, improved their agencies' cybersecurity postures, saved their limited resources, and improved their service delivery.

Agencies' Adoption of Shared Services



Sources: GAO analysis of Cybersecurity shared services data from April 2019 - September 2024, Financial Management and Grants shared services data, as of July 2025, and GAO analysis of GSA-provided Human Resources shared services data, as of September 2024. | GAO-26-108014

Systemic Challenges

- No agency identified specific structural, legal, or policy barriers that prohibit federal agencies from adopting shared services or solutions.
 - In some cases, agency-specific requirements make it more difficult to adopt shared services.
- However, agencies still reported several challenges to adopting shared services.

Systemic Challenges

Challenge	Description
Marketplace limitations	Customers struggled with finding adequate services through the QSMO marketplaces, usually due to existing options not meeting legal, technical or operational customer requirements.
Provider performance	Providers relied on outdated systems that did not meet customer expectations and customers found it difficult to trust providers to flexibly meet performance standards.
Provider transparency	Providers did not adequately share pricing information, as well as specifications, to document compliance requirements.
System implementation	Customers faced difficulties coordinating shared service implementation, including change management issues and stakeholder engagement.
Resource priorities	Customers faced difficulties balancing the costs associated with transitioning to a shared service with other priorities.
QSMO visibility	Coordinating agencies (QSMOs and GSA) faced difficulties knowing when to work with agencies that are modernizing systems in their designated area.

What Drives These Challenges

Several factors contributed to ongoing challenges, including:

- lack of comprehensive cost and performance data to inform decision-making,
- unfulfilled oversight responsibilities, and
- key leadership vacancies.

Without key data and executive-level leadership commitment:

- the Shared Services Governance Board (SSGB) will continue to lack the ability to advocate for resources for shared services, and
- the SSGB will also be unable to provide the data necessary for QSMOs to have visibility into agencies' modernization efforts and support agencies in adopting shared services.

Summary of Our Findings

- Shared technology services show great potential for reducing duplicative efforts, enhancing efficiency and reducing the cost of common agency needs such as cybersecurity, financial management, and human resources.
- Given these efficiencies, many federal agencies currently take advantage of shared services. However, adoption across the government varies and is hampered by systemic challenges.
- While the organizations responsible for coordinating shared services across the government have taken some corrective actions, these efforts have not fully addressed challenges.

Our Conclusions and Recommendations

- Key executive leadership responsibilities are unfilled, roles vital to making decisions and resolving conflict are vacant (in part due to lack of OMB engagement), and comprehensive cost and performance management data are lacking.
- These shortfalls have led to uncertainty and delays that limit the ability of leaders to pursue shared service strategies that can yield substantial savings.
- We made a total of four recommendations to OMB and GSA, including that the agencies
 - **ensure executive leadership positions are filled, and**
 - **implement a plan and time frame for collecting shared services performance data.**

Questions

For further information:

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