

GAO Highlights

Highlights of [GAO-15-296](#), a report to congressional requesters

Why GAO Did This Study

In March 2012, OMB launched an initiative, referred to as PortfolioStat, which requires agencies to conduct annual reviews of their IT investments and make decisions on eliminating duplication, among other things. In March 2013, OMB launched the second iteration of this initiative, with the goal of eliminating duplication and achieving savings through specific actions and time frames.

GAO was asked to review the implementation of the second iteration of PortfolioStat. GAO's specific objectives were to (1) assess agencies' plans for achieving PortfolioStat savings, (2) determine agencies' progress in achieving planned savings, (3) describe the extent to which selected agencies have reinvested PortfolioStat savings, and (4) describe action items resulting from the PortfolioStat process and determine the extent to which agencies have addressed them. To do so, GAO determined planned savings amounts for fiscal years 2013 through 2015, evaluated whether initiatives have yielded anticipated savings, analyzed data from three agencies based on expected savings for fiscal year 2013, and identified the status and time frames of action items.

What GAO Recommends

GAO is making recommendations to OMB and Defense aimed at improving the reporting of achieved savings, documenting how savings are reinvested, and establishing time frames for PortfolioStat action items. OMB agreed and Defense partially agreed. GAO modified the recommendation to Defense based on its response.

View [GAO-15-296](#). For more information, contact David Powner at (202) 512-9286 or pownerd@gao.gov.

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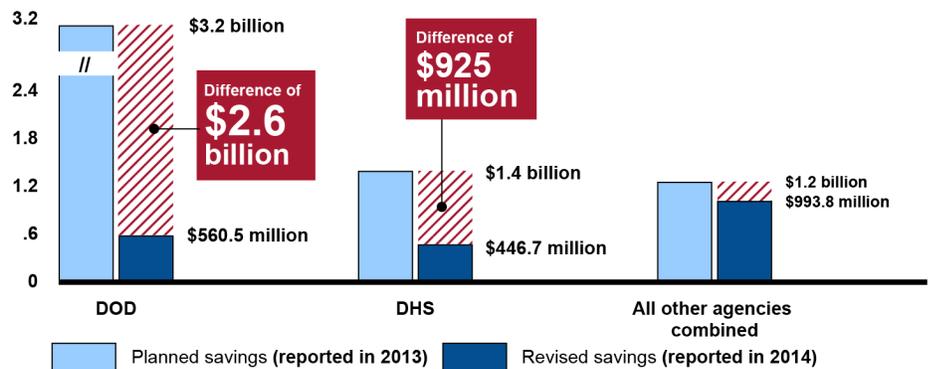
INFORMATION TECHNOLOGY

Additional OMB and Agency Actions Needed to Ensure Portfolio Savings Are Realized and Effectively Tracked

What GAO Found

Agencies decreased their planned PortfolioStat savings by at least 68 percent from what they reported to GAO in 2013. Specifically, while agencies initially had planned to save at least \$5.8 billion between fiscal years 2013 and 2015, these estimates were decreased to approximately \$2 billion. The Departments of Defense and Homeland Security accounted for most of the difference (see fig. below). Further, although the Office of Management and Budget (OMB) made its data center consolidation initiative part of PortfolioStat in 2013, agencies have not consistently included planned savings from this initiative in their PortfolioStat reporting. As a result, the total amount that agencies expect to save through fiscal year 2015 is understated.

Planned PortfolioStat savings 2013 - 2015 (billions)



Source: GAO analysis of agency data. | GAO-15-296

As of January 2015, agencies reported having achieved approximately \$1.1 billion in PortfolioStat-related savings during fiscal years 2013 and 2014. However, only 9 of 26 agencies met or exceeded their revised planned savings goals. Further, inconsistencies in OMB and agencies' reporting make it difficult to reliably measure progress in achieving PortfolioStat savings: (1) OMB included fiscal year 2012 savings in reporting against the fiscal years 2013 to 2015 goal, and (2) agencies had additional cost-savings initiatives they reported to GAO but not to OMB, and vice versa.

Three selected agencies explained how they reinvested their PortfolioStat savings, but did not always provide supporting documentation. For example, the Department of Homeland Security reported reinvesting the \$176 million from its data center consolidation and enterprise licensing agreements initiatives in multiple efforts, but did not provide supporting documentation.

Agencies completed 26 of 112 action items resulting from the 2013 PortfolioStat process, such as improve project delivery. However, almost 80 percent of the 86 incomplete items did not have associated time frames for completion. During our review, OMB stated they did not believe time frames were needed to monitor the status of the action items. However, establishing such time frames would increase agencies' accountability for completing the activities.