

Adoption Challenges Underscore the Need for Consistent Leadership

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A report to congressional committees.

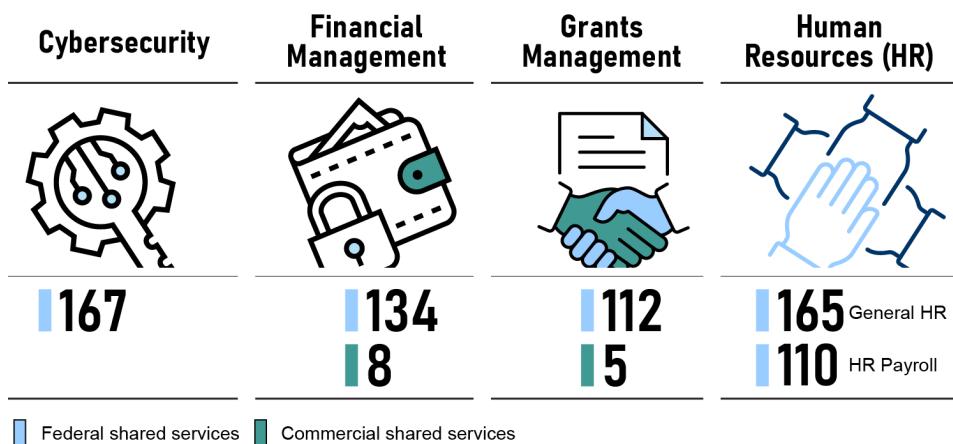
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What GAO Found

Shared services are the delivery of common services to federal agencies through consolidated, standardized capabilities offered through designated lead provider agencies. The Office of Management and Budget (OMB) designated four lead agencies to serve as Quality Service Management Offices for centralizing certain shared services, with the General Services Administration (GSA) responsible for overall coordination. Each of the four agencies offers and manages a marketplace of shared services in four functional areas: cybersecurity, financial management, grants management, and human resources.

Across the federal government, many agencies and their components' adoption of shared services varied by functional area (see figure).

Number of Federal Customer Agencies Adopting Shared Services by Functional Area, as of July 2025



Sources: GAO analysis of Cybersecurity shared services data from April 2019–September 2024 and Financial Management and Grants shared services data, as of July 2025; GAO analysis of Human Resources shared services data, as of September 2024; lovemask.stock.adobe.com (all icons). | GAO-26-108014

Note: The term "customer agencies" refers to customers from the Chief Financial Officers Act (CFO Act) agencies, which may include individual bureaus or components within a larger agency. It also includes non-CFO Act agencies, independent agencies, and commissions that use shared services.

Agencies identified various benefits, such as operational efficiencies and cost savings, but no barriers to adopting shared services. However, agencies identified challenges, including finding services that met both operational needs and legal requirements, shared services operating outdated legacy IT systems, and difficulties integrating shared services into their agencies.

As coordinators, GSA and the lead agencies have addressed some of these challenges. For example, they have expanded the marketplace of services to better meet agencies' needs. However, key leadership roles vital to making decisions about shared services remain unfilled due, in part, to a lack of OMB engagement. Further, GSA and agencies do not have comprehensive data on how well shared services are meeting agencies' needs. The absence of leadership commitment and data to inform decision-making are contributing factors to limiting the amount of cost savings and benefits.

Why GAO Did This Study

The federal government can increase efficiency and reduce duplicative efforts by consolidating certain mission-support services—such as payroll or travel—within a smaller number of federal agency providers. In 2019, OMB estimated that moving to shared services could save the government between \$1.25 and \$7.5 billion of the \$25 billion a year spent on those services.

The explanatory statement accompanying the Consolidated Appropriations Act, 2023 includes a provision for GAO to review the adoption of shared technology platforms and services. This report (1) describes the level of shared service adoption across federal agencies; and (2) describes the benefits, barriers, and challenges federal agencies face in adopting shared services and determines the extent to which they have mitigated the challenges.

GAO analyzed documentation from GSA and the Quality Service Management Offices on government-wide federal shared service adoption. GAO also administered a questionnaire on adoption, benefits, barriers, and challenges to six randomly selected agencies and two agencies selected due to their extensive experience using shared services. GAO compared coordinating agencies' efforts to mitigate the identified challenges against OMB guidance. GAO also interviewed agency officials.

What GAO Recommends

GAO is making 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 performance data. GSA agreed with our recommendations and OMB did not provide comments.