

**Exposure Draft:****Management's Discussion and Analysis, Rescinding and Replacing SFFAS 15**

Comments Due December 7, 2023

**#10 - Social Security Administration (SSA)**

Organization Type	Organization Name	First name	Last name	Email
Federal entity (Preparer)	SSA	Jeff	Broglie	jeffrey.broglie@ssa.gov

**QFR #1:** The Board proposes a comprehensive set of standards to guide management in how to present an MD&A that is balanced, integrated, concise, and understandable about the reporting entity's organization and mission; financial position and condition; operating performance, opportunities, and risks; and systems, internal controls, and compliance with applicable laws and regulations. Do you agree, partially agree, or disagree that the proposed standards will provide adequate guidance for management to present an MD&A that is balanced, integrated, concise, and understandable about the reporting entity's organization and mission; financial position and condition; operating performance, opportunities, and risks; and systems, internal controls, and compliance with applicable laws and regulations? What is the rationale for your answer to QFR 1?

Response	Rationale	Organization Name
Agree	SSA agrees that the proposed standards will provide sufficient guidance to prepare the required MD&A in our AFR. This proposed standard uses a broader and more principle-based approach that we believe will allow agencies to tailor their AFR to those agencies' specific circumstances and mission to meet the needs of their readers and stakeholders. We appreciate that the proposed standards continue to give management discretion on what is included in the MD&A.	SSA

**QFR #2:** The Board believes this proposal will reduce preparer costs and burden. Do you agree, partially agree, or disagree that the proposed standards will reduce preparer cost and burden? What is the rationale for your answer to QFR 2?

**Exposure Draft:****Management's Discussion and Analysis, Rescinding and Replacing SFFAS 15**

Comments Due December 7, 2023

Response	Rationale	Organization Name
Partially agree	SSA is uncertain whether these changes will reduce the cost or burden related to the preparation of our MD&A, as our reporting processes for this section of the AFR have been established. If we eliminate certain areas of the MD&A as a result, it could provide some cost and burden reduction; however, there will still be the overall MD&A guidance that will need to be reviewed and adopted. Thus, the elimination of some requirements could reduce burdens, but the imposition of others may increase them in a non-offsetting manner. Also, there may be significant short-term burdens upon implementation when agencies analyze their financial reporting processes as a result of this forthcoming standard and later work with their financial statement auditors on its implementation. In addition, including some of the cost and/or budgetary information may impose a burden at first as agencies work through how to provide that information.	SSA

**QFR #3:** The Board explains how management should present information in MD&A. Please refer to paragraphs 8-11. Do you agree, partially agree, or disagree that the proposed standards in paragraphs 8-11 provide adequate guidance on how management should present information in MD&A? What is the rationale for your answer to QFR 3?

Response	Rationale	Organization Name
Agree	SSA agrees. The use of broad, principle-based guidance is adequate for management to determine how to present MD&A information. We believe it's better to have broad principle-based guidance to allow agencies to tailor their MD&A to their unique mission, goals, structures, operating environment, etc., and to meet the needs of the users of that particular agency's AFR.	SSA

**QFR #4:** The Board explains what information management should include in MD&A. Please refer to paragraphs 12-13. Do you agree, partially agree, or disagree that the proposed standards in paragraphs 12-13 provide adequate guidance on what information management should include in MD&A? What is the rationale for your answer to QFR 4?

Response	Rationale	Organization Name
Agree	SSA agrees these paragraphs are sufficient. They appear to track many of the requirements of SFFAC 3 and SFFAS 15. SFFAC 3 was much more in-depth, perhaps overly so. This proposed standard uses a broader principle-based approach, but	SSA

**Exposure Draft:****Management's Discussion and Analysis, Rescinding and Replacing SFFAS 15**

Comments Due December 7, 2023

	we believe the way it's written still captures the intent behind an informative MD&A, while still providing flexibility.	
--	--	--

**QFR #5:** The Board proposes to rescind and replace SFFAS 15. The Board believes that the MD&A proposal offers improvements over the standards in SFFAS 15. The improvements include reducing preparer burden; adopting broad principle-based guidance to assist agencies in presenting a balanced, concise, integrated, and understandable MD&A. Two Board members provided alternative views. One member provided an alternative view addressing the need for this Standard (see paragraphs A47-A53). Two members provided an alternative view on tiered reporting (see paragraph A54). Please refer to paragraphs A47 – A54 to review the alternative views as presented. Do you agree, partially agree, or disagree with the alternative views? What is the rationale for your answer to QFR 5?

Response	Rationale	Organization Name
Agree	SSA agrees with the alternative view that rescission of SFFAS 15 may not be necessary since the overall changes to the MD&A guidance in the ED do not significantly deviate from the existing standard. We also agree that the perception of significant changes resulting from the ED may also result from the fact that the ED does not state explicitly that it leaves the contents and characteristics of the MD&A largely unchanged, which could make the preparation process more labor-intensive, as preparers transition to interpretation and implementation of a “new” standard. However, if the goal is to remove barriers to agencies’ ability to structure their MD&A in ways that avoid segregating information, as seems to be the concern with SFFAS 15, then the proposed standards are probably needed to avoid potential issues with financial statement auditors.	SSA

**QFR #6:** Are there any other aspects of this proposal that you wish to provide comments on? Please provide the rationale for your answer.

Comment	Organization Name
SSA has no other comments.	SSA