

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

Comments Due December 7, 2023

#11 Department of Energy (Energy)

Organization Type	Organization Name	First name	Last name	Email
Federal entity (Preparer)	Energy	Jeffrey	Carr	jeffrey.carr@hq.doe.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	OMB examiners have typically questioned the ability of DOE to present performance and priorities of the Department with a forward-looking view of programs. This challenges us to provide a balanced MD&A while recognizing that some information may be pre-decisional.	Energy

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?

Response	Rationale	Organization Name
Partially agree	Until we go through a year of preparing the MD&A under the new standard and seeing if OMB will approve/clear a more concise /limited MD&A, we can't be certain if there will be reduced costs/burdens. It also might take some time before and reduced costs/burden would be realized.	Energy

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?

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Response	Rationale	Organization Name
Partially agree	Trends and any forward-looking information could cause clearance delays from OMB during the short turnaround AFR timeframe.	Energy

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
Partially agree	The guidance is adequate, but DOE is concerned about trends and judgment of priorities. DOE is limited in ability to discuss the plans/future activities. Trends and any forward-looking information could cause clearance delays from OMB during the short turnaround AFR timeframe.	Energy

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	The new proposed standard is not that different than what was previously covered by SFFAC 3 and SFFAS15. Agency savings, if realized, may vary agency to agency. Much smaller agencies may not need to have as an extensive of an MD&A as cabinet level agencies so a tier reporting may make sense. Finally, it does seem that the minimal actual changes for MD&A could possibly be made just as well by amending SFFAS15 rather than rescinding it and replacing with a new standard.	Energy

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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
We have concerns that OMB may not be agreeable with forward looking information or trends in information in the AFR and the short AFR "clearance" timeframe and process in the new/revised standard.	Energy