

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

Comments Due December 7, 2023

#13 - Department of Defense (DoD)

Organization Type	Organization Name	First name	Last name	Email
Federal entity (Preparer)	DoD	Kim	Laurance	kim.r.laurance.civ@mail.mil

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	DoD agrees combining the Statement of Federal Financial Accounting Concepts (SFFAC) 3 (how to report information) and Statement of Federal Financial Accounting Standards (SFFAS) 15 (what information to report), which allows MD&A preparers to save time by referring to one standard, instead of two. The consolidated standard helps the preparers to have a clearer understanding of MD&A requirements.	DoD

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
Agree	DoD agrees the exposure draft provides preparers with a more effective MD&A preparation while potentially reducing the time and cost associated with the reporting process. It may require additional resources or time for individual agencies to update internal financial guidance based on the new SFFAS.	DoD

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

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information in MD&A? What is the rationale for your answer to QFR 3?

Response	Rationale	Organization Name
Agree	DoD doesn't believe anything was missed regarding "how" management should present information in MD&A. Proposed instructions are clear and identifies the proper requirements.	DoD

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	DoD doesn't believe anything was missed regarding "what" information management should include in MD&A. Proposed instructions are clear and identifies the proper requirements.	DoD

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
Disagree	DoD doesn't support the proposed tiered approach for development of the MD&A as discussed in the two Alternative Opinions contained in the Exposure Draft. The guidance is not very clear or definitive on which agencies must present a MD&A section in the AFR. Smaller agencies may be confused on their requirements of completing the MD&A section.	DoD

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
DoD doesn't have any additional comments or concerns for this Exposure Draft.	DoD