

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

Comments Due December 7, 2023

**#14 – Dept of Commerce (Commerce)**

Organization Type	Organization Name	First name	Last name	Email
Federal entity (Preparer)	Commerce	Kristin	Salzer	ksalzer@doc.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	The paragraphs clearly lay out what is expected of agencies to provide in their MD&A portions of the AFR.	Commerce

**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	The required elements of the MD&A are nearly identical to what the Department of Commerce is already providing. Therefore, the level of effort to prepare the Department's MD&A will remain similar. For other agencies who provide a great deal of information that is not required, they may see a decrease if they choose to remove the unnecessary information.	Commerce

**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
Disagree	Paragraph 9 (item b) - this is a very vague bullet. What does this mean? What is the relevant detailed information from other areas of the GPFFR? It doesn't provide useful guidance to the preparer without doing significant additional research. Paragraph 8 - This includes a wide potential area of trends/information. It could potentially result in increasing the financial analysis and associated burden on agencies. Some additional guidance and clarification should be added to this paragraph.	Dept of Commerce

**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	Paragraph 12: Item C - what is meant by associated costs related to key performance results? This should be clarified. Is this Costs by Strategic Goal or costs associated with tracking and identifying performance results? Paragraph 12: Item D/E: Additional burden is placed on agencies by requiring that the potential effect on financial and budgetary results of carrying out risk mitigation and opportunities to enhance performance be included. If this is included, how will agencies show that this was estimated? There is an additional workload and burden involved.	Commerce

**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?

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Response	Rationale	Organization Name
Partially agree	Ms. Johnson makes several good points: -Upon DOC's review of the exposure draft, we agree that the ED is not extensively changing the MD&A requirements, but could potentially place additional burden on preparers. -Agree that the ED misses an opportunity for tiered reporting. (Why are smaller agencies or sub-components of agencies choosing to prepare a PAR or AFR spending the same amount of time and resources on MD&A as CFO Act agencies and Departments)? With smaller staffs, this is a larger burden for smaller agencies. - Agree that this could result in additional and more complex review procedures as part of the financial statement audit process.	Commerce

**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
N.A.	Commerce