

#15 – EPA

Organization Type	Organization Name	First name	Last name	Email
Federal entity (Preparer)	EPA, OCFO	Christopher	Osborne	osborne.christopher@epa.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
Partially agree	The standards included provide only a broad stroke of the requirements for the MD&A to meet the needs. By setting standards at the broad stroke, it is difficult for the agency to assess the depth that is required to comply. Much of the information is left to agency discretion, which could lead to varying interpretations by either OMB in their reviews or OIG.	EPA, OCFO

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	Much of the information provided in the MD&A by the agencies tends to be factual information that is provided to allow regular citizens to understand the mission and actions of the agency. With the Board's desire to include more performance-oriented data in the MD&A, EPA would suggest linking its Annual Performance Report to the MD&A. This can be done by including a link to the performance data once it is made available. This information is	EPA, OCFO

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

Comments Due December 7, 2023

	available in February annually.	
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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
Partially agree	The guidance is broad and generic and gives agencies a lot of latitude on what details should be included in the MD&A. Much is open to interpretation, by agency leadership, and the tendency is for leadership to provide significant context to events, which could increase the level of information that is included. More clarity is needed, or examples provided, as to what are significant events, performance results, and risks. The use of the term "financial condition" requires more context as to what information the Board wants regarding financial condition.	EPA, OCFO

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 again too broad to be able to determine what must be incorporated into the MD&A. The term significant is used multiple times but does not adequately define for agencies what should be reported. As performance data is not available until February of the following fiscal year, we recommend linking the performance results to the MD&A through a web link when the data is available.	EPA, OCFO

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?

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What is the rationale for your answer to QFR 5?

Response	Rationale	Organization Name
Agree	In general, we see that Agencies' MD&As are becoming longer and harder to read for the general public. We agree with the alternative views that the new standards could make the compilation of the information more burdensome with its more prescriptive requirements.	EPA, OCFO

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
None at this time. Thank you.	EPA, OCFO