

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

Comments Due December 7, 2023

#17 - Department of the Treasury (Treasury)

Organization Type	Organization Name	First name	Last name	Email
Federal entity (Preparer)	Treasury	Shawn	Mickey	Shawn.Mickey@treasury.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 Department of the Treasury agrees the proposed set of standards will consolidate SFFAC No. 3 and replace the current SFFAS No. 15 into one authoritative standard.	Treasury

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 Department of the Treasury partially agrees with Ms. Johnson's alternative view in paragraph A51. We anticipate that changes in the checklists used by preparers and auditors will lead to an increase in length, posing an additional burden during the transition to the updated standard. Nevertheless, we expect that in the long run, this adjustment will streamline the process of adhering to authoritative standards and assist in alleviating internal training burdens associated with researching and implementing standards.	Treasury

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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
Agree	The Department of the Treasury agrees the proposed standards in paragraphs 8-11 provide adequate guidance on how management should present information in MD&A as it will provide streamlined information for preparers of the MD&A.	Treasury

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	The Department of the Treasury agrees the proposed standards in paragraphs 12-13 provide adequate guidance on what information management should include in MD&A as it will provide streamlined information for preparers of the MD&A.	Treasury

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
Partially agree	The Department of the Treasury partially agrees with Ms. Johnson's alternative view in paragraph A51. We anticipate that changes in the checklists used by preparers and auditors will lead to an increase in length, posing an additional burden during the transition to the updated standard. Nevertheless, we expect that in the long run, this	Treasury

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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
The Department of the Treasury has a concern about rescinding, rather than revising, SFFAS No. 15 that relates to footnote 6, on page 9. The footnote reminds us that a SFFAC can only be rescinded by another SFFAC; meaning that the issuance of a new SFFAS for MD&A cannot rescind SFFAC No. 3. Given that there may be more than a full fiscal year lapse in the rescission of SFFAC No. 3 and the implementation of a new SFFAS for MD&A the concern is that there is no guidance in the exposure draft for this interim period. The exposure draft mentions repeatedly that SFFAC No. 3 may be rescinded, and the relevant portions will be incorporated into the new SFFAS for MD&A. However, the rescission of SFFAC No. 3 is dependent upon the implementation of the Omnibus Concepts Amendments that is currently in process. Without guidance for any interim period a new SFFAS for MD&A could likely lead to the complications that have been expressed in the Alternative View of Ms. Johnson and Mr. McNamee. While the acceptance and implementation of the Omnibus Concepts Amendments may be inevitable, at this point these are not final amendments and nothing in the MD&A Exposure Draft considers the timing required or consequences of the status of the Omnibus Concepts Amendment when a new SFFAS for MD&A is issued.	Treasury