

*Exposure Draft SIG 64.1, Guidance for Implementing SFFAS 64:  
Management's Discussion and Analysis*

**#1 - ROBYN BERKENBILT**

**Please select the type of organization responding to this exposure draft. If you are not responding on behalf of an organization, please select "individual."**

- Accounting Firm
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**Please provide your name.**

Name: Robyn S. Berkenbilt, CPA, CGFM

**Please identify your organization, if applicable.**

Organization: \_\_\_\_\_

*Please email your responses to [mda@fasab.gov](mailto:mda@fasab.gov). If you are unable to respond by email, please call (202) 512-7350 to make alternate arrangements.*

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The proposed SIG 64.1 would assist reporting entities in implementing Statement of Federal Financial Accounting Standards (SFFAS) 64, *Management's Discussion and Analysis*.

**QFR 1** The proposed SIG 64.1 provides information on how to achieve a balanced, concise, integrated, and understandable MD&A.

**Do you agree or disagree that the proposed SIG 64.1 provides information to implement a balanced, concise, integrated, and understandable MD&A? Please provide the rationale for your answer.**

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Agree – The proposed SIG 64.1 provides good examples of how to integrate information in the MD&A and how agencies can present information in a balanced, concise, and understandable way.

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**QFR 2** The proposed SIG 64.1 provides information about how reporting entities may discuss mission and organization in MD&A.

**Do you agree or disagree that the proposed SIG 64.1 provides information for how to discuss mission and organization in MD&A? Please provide the rationale for your answer.**

Agree – The proposed SIG 64.1 includes adequate discussion of how agencies should present information on the mission and organization in the MD&A.

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**QFR 3** The proposed SIG 64.1 provides information about how reporting entities may discuss and analyze financial position and financial condition.

**Do you agree or disagree that the proposed SIG 64.1 provides information for how to discuss and analyze financial position and condition in MD&A? Please provide the rationale for your answer.**

Agree – The proposed SIG 64.1 adequately explains what FASAB means by financial position and financial condition.

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**QFR 4** The proposed SIG 64.1 provides information about how reporting entities may discuss and analyze key performance results and associated costs.

**Do you agree or disagree that the proposed SIG 64.1 provides information for how to discuss and analyze key performance results and associated costs in MD&A? Please provide the rationale for your answer.**

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Disagree –

SFFAS 64, paragraph 12.d states that key performance results could be organized based on responsibility segments as reported on the reporting entity's statement of net cost. However, neither the appendix to SFFAS 64 nor the proposed SIG 64.1 includes an example of how an agency could organize its key performance results based on the statement of net cost. Without a specific example, agencies would be speculating on what FASAB has in mind. The examples presented in proposed SIG 64.1 are organized based on key performance results and not responsibility segments on the statement of net cost.

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**QFR 5** The proposed SIG 64.1 provides information about how reporting entities may discuss and analyze significant opportunities and risks in MD&A.

**Do you agree or disagree that the proposed SIG 64.1 provides information for how to discuss and analyze significant opportunities and risks?  
Please provide the rationale for your answer.**

Agree on the discussion of opportunities and risks. With regard to the word "significant", neither SFFAS 64 nor the proposed SIG 64.1 does a good job of explaining what FASAB means by "significant". The description of what is significant is somewhat subjective. However, OMB Circular A-136 provides a more precise definition of "significant" for the MD&A, so there is no need to amend the proposed SIG 64.1 to include further guidance on what FASAB means by significant.

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**QFR 6** The proposed SIG 64.1 provides information about how reporting entities may discuss and analyze management's assessment of the reliability of the reporting entity's financial information by explaining significant weaknesses in the financial management system, related systems, internal controls, or non-compliance with applicable laws.

**Do you agree or disagree that the proposed SIG 64.1 provides information for how to discuss and analyze management's assessment of the reliability of the reporting entity's financial information by explaining significant weaknesses in the financial management system, related**

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**systems, internal controls, or non-compliance with applicable laws?  
Please provide the rationale for your answer.**

Agree – This requirement is outlined in greater detail in OMB Circular A-123, so further details on reporting requirements are not required in SFFAS 64 or the proposed SIG 64.1.

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**QFR 7** Do you wish to comment on any other aspects of this proposal?

No additional comments

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