

## Memorandum

### MD&A

June 9, 2021

To: Members of the Board  
From: Robin M. Gilliam, Assistant Director  
Thru: Monica R. Valentine, Executive Director  
Subject: **MD&A Proposed Standards** (Topic B)

### INTRODUCTION

Management should provide users with a balanced, integrated, and concise discussion and analysis about a reporting entity's financial statements to help users better understand its financial position, condition, and key performance outcomes. Staff proposes nine standards to assist management in creating a balanced, integrated, and concise discussion in the MD&A and streamline MD&A. Staff's proposed standards, analysis, and recommendations are included in Attachment 1.

### REQUEST FOR FEEDBACK BY June 16, 2021

Please review the attached staff recommendations and analyses and respond to the questions by **June 16, 2021**.

For additional information, questions, or suggestions, please contact us as early as possible at [gilliamr@fasab.gov](mailto:gilliamr@fasab.gov) with a cc to Monica Valentine at [valentinem@fasab.gov](mailto:valentinem@fasab.gov).

### NEXT STEPS

Prepare draft exposure draft for review in July and pre-ballot at August 2021 Board meeting to meet the first milestone of releasing ED for comments by October 2021.

### ATTACHMENTS

1. Staff Analysis - page 2
2. MD&A Vision Framework and Objectives - page 20

## Staff Analysis

### MD&A

Attachment 1

June 9, 2021

### CONTEXT

At the April 28, 2021, Board meeting, members reviewed findings<sup>1</sup> from the Management's Discussion and Analysis (MD&A) pilot. Pilot agencies shared their experience with creating a sample MD&A from the draft MD&A vision framework and MD&A objectives<sup>2</sup> to help streamline the MD&A. User reviews also provided feedback on whether the sample MD&As provided useful information that was easy to read.

### MD&A Vision Framework:

**MD&A Vision Statement:** MD&A should summarize information about the financial position and condition of the reporting entity by discussing the entity's mission, organization, and key financial and performance results to inform users of its financial health and sustainability of major programs.

Therefore, MD&A should be an objective, concise, and easily readable summary analysis of:

- I. The essential few matters causing significant changes to the entity's (1) financial statement amounts during the current reporting period, and (2) financial, budgetary and key performance trends over past reporting periods.
- II. The current and planned actions that will address the essential few opportunities, challenges, and risks that could significantly affect financial statement amounts and key performance results in the future.
- III. The essential few conditions related to systems and controls that could affect the entity's ability to produce reliable financial information.

MD&A may also include references to websites or other areas of the agency financial report (AFR) that provide additional information when applicable.

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<sup>1</sup> See the April briefing, Topic D-MD&A, Attachment 4: *Agency Pilot Survey Responses* & Attachment 5: *User Review Survey Responses*.

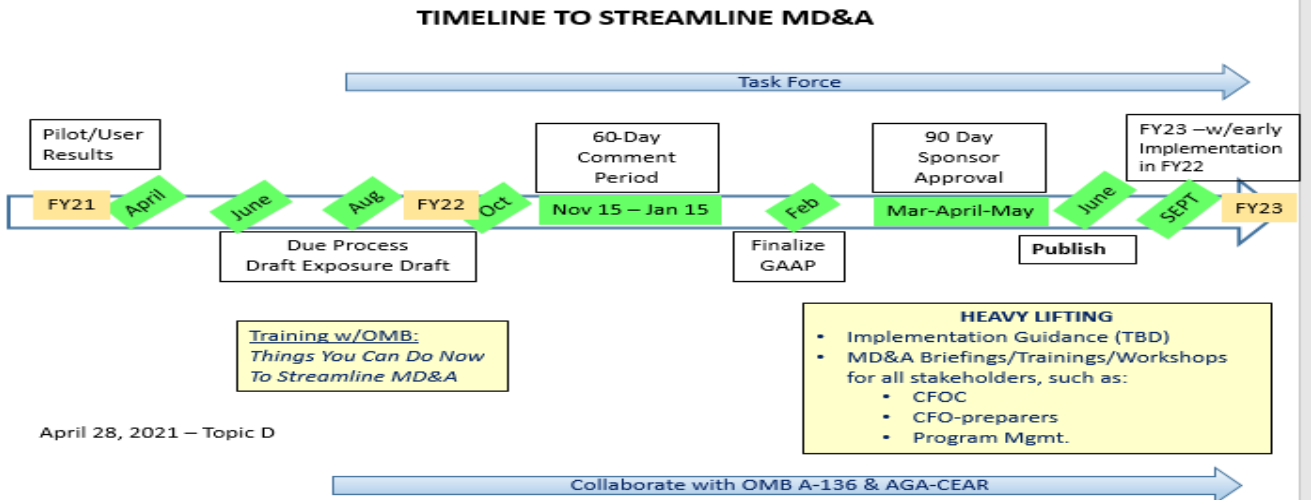
<sup>2</sup> See Attachment 2 in this document: *Draft MD&A Vision Framework & Eleven MD&A Objectives*

Agency pilots and user reviewers agreed that a streamlined MD&A can achieve balance and harmony by

1. providing a comprehensive connection between performance, non-financial and financial information, and systems information while avoiding a silo effect of putting information in separate sections;
2. focusing on key drivers (like COVID-19) that impacted performance goals, significant changes in financial statement lines, and management's decisions during the reporting period;
3. providing concise and concrete examples about the magnitude of risks and current and planned actions to address them;
4. including high-level performance goals that support the current leadership agenda instead of low-level metrics;
5. including well labeled trend graphs that integrate performance, financial, and budgetary resource information, and written summaries; and
6. including more hyperlinks to detailed performance data and other important documents.

The MD&A vision framework, along with the MD&A pilot provided direction to staff in developing the below proposed MD&A Standards. Members agreed that broad, principle-based standards would best serve MD&A preparers.

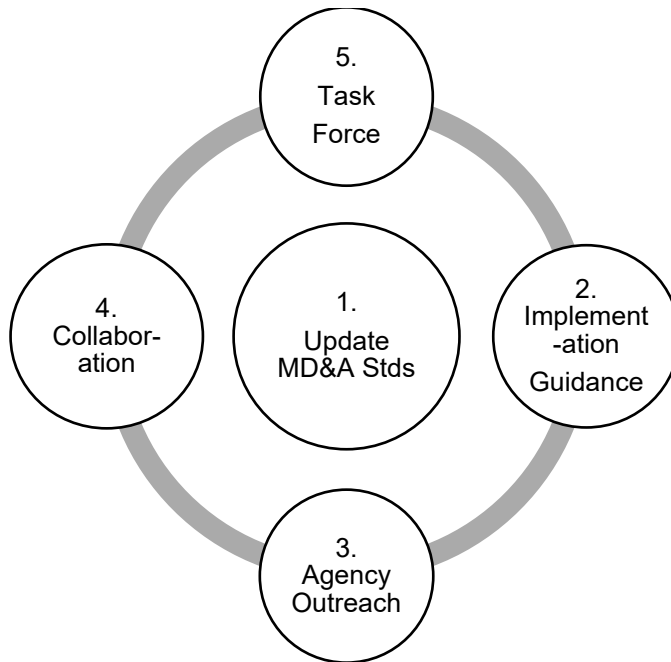
The Board tentatively agreed to the following timeline to support agency early implementation of a streamlined MD&A in FY2022.



At the April 2021 Board meeting, members tentatively agreed to the following milestones. Staff has broken out milestone #1 as follows.

1. **June – Oct 2021:** three board meetings to develop the draft exposure draft
  - **June** – review and finalize proposed standards
  - **July – August** pre-ballot draft exposure draft
  - **September – October** – ballot & publish exposure draft for comments
2. **Oct Board meeting 2021:** ballot to approve exposure draft
3. **Nov 15, 2021 – Jan 15, 2022:** 60 day comment period (30 days shorter than normal)
4. **Jan 15 – Feb 28, 2022:** finalize standards.
5. **March – May 2022:** Sponsor 90 day review period
6. **June 2022** – publish updated MD&A standards

Members also agreed to the following five pronged strategy for streamlining MD&A. Staff does not foresee these proposed broad, principle-based standards operating in a vacuum. The standards will be supported by implementation guidance, agency outreach to include training and task force meetings with experts, and collaboration with OMB and AGA-CEAR.



## RECOMMENDATIONS AND ANALYSES

The following are staff's recommendations and analyses to streamline MD&A with broad, principle-based standards.

### PROPOSED MD&A STANDARDS

Findings from the MD&A pilot showed that users liked the diversity of how agencies delivered their MD&A content. Pilot agencies also noted that their agency's mission, size, number of organizations, and performance goals/metrics often dictate how to best present information in the MD&A. Broad principle-based standards will provide management with the flexibility to prepare an MD&A based on the reporting entity's culture rather than following rules-based prescriptive standards that could lock agencies into a structured formula and lead to a check-list mentality as well as a boiler plate document.

Therefore, the Board agreed that broad, principle-based standards would guide preparers to provide useful and easily understandable information about a reporting entity's financial position, condition, and related performance outcomes.

## I. RECOMMENDATION

### Proposed MD&A Standard #1 – overview of MD&A

Staff recommends the following overview for the MD&A standard:

*MD&A is an opportunity for management to provide a balanced, integrated and concise financial and non-financial discussion and analysis about the current year and future state of the reporting's entity's financial position and condition and performance outcomes.*

## ANALYSIS

### A. Proposed standard overview stems from the MD&A vision statement

**MD&A Vision Statement:** MD&A should summarize information about the financial position and condition of the reporting entity by discussing the entity's mission, organization, and key financial and performance results to inform users of its financial health and sustainability of major programs.

### B. Pilot Findings

Users and pilot agencies agree that MD&A should provide a comprehensive connection between non-financial and financial, and performance information to avoid a silo effect of putting information in separate sections.

### C. Additional Information – Recommendation(s)

This proposed standard is an overview of MD&A to help management set the stage for implementing the other standards and what is expected in MD&A.

Staff will utilize [implementation guidance](#) and [training](#) to expand on this broad based principle standard.

#### Question #1 for the Board:

#### Do members have any [technical edits](#) on [proposed standard #1](#)?

*MD&A is an opportunity for management to provide a balanced, integrated financial and non-financial discussion and analysis about the current year and future state of the reporting's entity's financial position and condition and performance outcomes.*

## II. RECOMMENDATION

### Proposed MD&A Standard #2

Staff recommends the following standard for MD&A:

*MD&A should include a summary about the entity's mission, its major organizational break-out, and key performance outcomes for each.*

## ANALYSIS

### A. Proposed standard stems from the MD&A vision statement

**MD&A Vision Statement:** MD&A should summarize information about the financial position and condition of the reporting entity by discussing the entity's mission, organization, and key financial and performance results to inform users of its financial health and sustainability of major programs.

### B. Pilot Findings

Users want to understand the reporting entity's mission, including a qualitative summary of the major organizational break-outs and key performance. This non-financial information, is necessary to provide users with a good foundation for what the reporting entity is responsible for and what it has achieved.

Pilot agencies were challenged with how to provide a summary discussion about their organizations, especially the large reporting entities with many agencies.

### C. Additional Information – Recommendation(s)

1. Staff recommends using the term “outcomes” instead of “results” because outcome is a known budget term, used throughout performance reporting, and is defined in A-11, part 6, section 200.22 *Definitions* as “the desired results of a program.”
2. The Board's vision for MD&A was to unburden agencies by removing unnecessary and duplicative information. Proposed standard #2 provides preparers with the broad, principle-based guidance to provide the information about the reporting entity in a concise and balanced manner.

Staff will expand on this broad principle-based standard with [implementation guidance and training](#).

**Question #2 for the Board:**

- a) **Do members agree to use the term “outcomes” rather than “results”** and the defined budget term (A-11, part 6, section 200.22 *Definitions*) that speaks to performance results?

**Outcome:** The desired results of a program.

- b) **Do members have any technical edits for proposed standard #2?**

*MD&A should include a summary about the entity’s mission, its major organizational break-out, and key performance outcomes for each.*

**III. RECOMMENDATION**

Proposed MD&A Standard #3

*MD&A should summarize each financial statement to explain the reporting entity’s financial position, condition, and key performance outcomes.*

**ANALYSIS**

**A. Proposed standard stems from the MD&A vision statement:**

**MD&A Vision Statement:** MD&A should summarize information about the financial position and condition of the reporting entity by discussing the entity’s mission, organization, and key financial and performance results to inform users of its financial health and sustainability of major programs

**B. Pilot findings**

Users found that those MD&A samples that summarized each financial statement provided the most helpful information in understanding the reporting entity’s financial position and condition.

Pilot agencies said that a definition and better guidance for what financial position and condition mean would help them in discussing and analyzing their financial statements.

**C. Additional Information/Recommendation(s)**

1. Understanding financial position and condition comes from understanding the financial statements.



The Board's vision is for users to have a clear understanding of the reporting entity's financial position and condition as it relates to performance outcomes. This broad, principle-based standard will provide the guidance a reporting entity needs to provide that information to users.

Staff recommends the following definition to further improve the guidance:

**Financial position and condition definition:** The status of a reporting entity's assets, liabilities, net position, and budgetary resources.

2. Staff recommends including "related key performance outcomes" to the standards language. Adding "related key performance outcomes" to the financial statements discussion would encourage agencies to talk about performance in terms of financial statements.

Staff will utilize [implementation guidance](#) and [training](#) to address best practices for how to discuss and analyze the financial statements individually and together with key performance outcomes to enhance users' understanding.

**Question #3 for the Board:**

- a) Do members agree with the definition for financial position and condition:

The status of a reporting entity's assets, liabilities, net position, and budgetary resources.

- b) Do members have any technical edits for proposed standard #3?

*MD&A should summarize each financial statement to explain the reporting entity's financial position, condition, and key performance outcomes.*

**IV. RECOMMENDATION**

Proposed MD&A Standard #4

*MD&A should explain key drivers responsible for significant changes to the entity's financial statement amounts from the prior reporting period, the current actions taken, and the short and long-term actions planned to mitigate these key drivers.*

## ANALYSIS

### A. Proposed standard stems from the following MD&A vision framework content:

The essential few matters causing significant changes to the entity's (1) financial statement amounts during the current reporting period, and (2) financial, budgetary and key performance trends over past reporting periods.

The current and planned actions that will address the essential few opportunities, challenges, and risks that could significantly affect financial statement amounts and key performance results in the future.

### B. Pilot findings

User reviewers preferred the term “key drivers” over “essential few matters.” They believe the MD&A should focus on key drivers (like COVID-19) that impacted performance outcomes, significant changes in financial statement lines, and management’s decisions during the reporting period.

Pilot agencies asked for a definition and guidance for the term “significant.” Pilot agencies also had difficulty with the terminology “essential few matters” and some preferred to speak to key drivers.

### C. Additional Information/Recommendation(s)

1. Staff recommends the following **definition** for **significant**.

**Significant:** noteworthy of having or likely to have a great influence or effect.

2. Staff recommends using the term **key drivers** in the place of essential few matters and the following **definition**.

**Key drivers:** A past challenge that has significantly impacted the financial statement balances; or, an opportunity or risk, or that may significantly impact financial statement balances. Key drivers may include, but are not limited to: climate impacts, cybersecurity breaches, pandemics that have or may happen.

3. Staff recommends the following **definitions** from the *Playbook: Enterprise Risk Management for the U.S. Federal Government* glossary for risk and uncertainty.

**Risk:** The effect of uncertainty on achievement of objectives. An effect is a deviation from the desired outcome – which may present positive or negative results.

**Opportunity:** A favorable or positive event. In context of risk management, it refers to the possibility that an event will occur and positively affect the achievement of objectives.

**Uncertainty:** The inability to know in advance the exact likelihood or impact of future events.

**Question #4 for the Board:**

**a) Do members agree with the significant definition?**

Noteworthy of having or likely to have a great influence or effect.

**b) Do members agree with using the term “key drivers” instead of “essential few?” and the key driver definition?**

A past challenge that has significantly impacted the financial statement balances; or, an opportunity or risk, or that may significantly impact financial statement balances. Key drivers may include, but are not limited to: climate impacts, cybersecurity breaches, pandemics that have or may happen.

**c) Do members agree with the opportunity definition?**

A favorable or positive event. In context of risk management, it refers to the possibility that an event will occur and positively affect the achievement of objectives.

**d) Do members agree with the risk definition?**

The effect of uncertainty on achievement of objectives. An effect is a deviation from the desired outcome – which may present positive or negative results.

**e) Do members agree with the uncertainty definition?**

The inability to know in advance the exact likelihood or impact of future events.

**f) Do members have any technical edits for proposed standard #4?**

*MD&A should explain key drivers responsible for significant changes to the entity's financial statement amounts from the prior reporting period, the current actions taken, and the short and long-term actions planned to mitigate these key drivers.*

## V. RECOMMENDATION

### Proposed MD&A Standard #5

*MD&A should provide trend information on key performance outcomes and significant financial and budgetary amounts.*

#### ANALYSIS

##### A. Proposed standard stems from the following MD&A vision framework content:

The essential few matters causing significant changes to the entity's (1) financial statement amounts during the current reporting period, and (2) financial, budgetary and key performance trends over past reporting periods.

##### B. Pilot findings

Users found that trend information over a period of years that showed changes in dollars and percentages was very useful information. Users also emphasized that a qualitative summary about a trend chart helped them to understand what key drivers were behind the changes and how management's decisions were affected by the trends.

Pilot agency preparers were challenged with understanding how many years to report in the past for a trend and noted that the time period for a trend would vary depending on the program or issue. For example, information related to COVID-19 is only a year old, where storm information could go back many decades.

##### C. Additional Information/Recommendation(s)

**Staff recommends the following trend definition:**

**Trend:** a historical pattern of change beyond 24 months.

Staff will utilize Implementation guidance and training to explain best practices for presenting trend information.

**REMINDER** – members have agreed to broad, principle-based standards.

**Question #5 for the Board:**

**a) Do members agree with the trend definition?**

A historical pattern of change beyond 24 months.

**b) Do members have any technical edits for proposed standard #5?**

*MD&A should provide trend information on key performance outcomes and significant financial and budgetary amounts.*

**VI. RECOMMENDATION**

**Proposed MD&A Standard #6**

*MD&A should summarize key risks, the current actions taken, and the short and long-term actions planned to mitigate those risks to achieve key performance outcomes and protect the reporting entity's financial position and condition into the future.*

**ANALYSIS**

**A. Proposed standard stems from the following MD&A vision framework content:**

The current and planned actions that will address the essential few opportunities, challenges, and risks that could significantly affect financial statement amounts and key performance results in the future.

**B. Pilot findings**

Users want to understand the key drivers, including key risks that could impact the financial statements and key performance outcomes.

Pilot agencies want to understand how to talk about key risk and what key risks could have a financial impact.

Pilot agencies were also challenged with understanding how to discuss and analyze long-term actions to mitigate key risks. They do a great job discussing current plans

for mitigating key risks in the next reporting period, but most fall short with a looking forward analysis.

### C. Additional Information & Recommendations

Over the course of the Reporting Model and MD&A projects, staff has learned that agencies do a great job at discussing actions taken during the reporting period and planned actions for the next 12 months. However, few agencies have been able to discuss actions to be taken beyond the next reporting period. The Board's vision is for users to understand what key risks are being mitigated to protect the financial position and condition and key performance outcomes of the reporting entity into the future. This proposed standard breaks "planned actions" into definitions for current, short-term and long-term actions to give management better guidance on what is expected in a forward looking discussion.

Staff recommends the following **definitions**:

**Current actions:** actions taken during the reporting period.

**Short-term actions:** actions to be taken over the next 12 to 24 months.

**Long-term actions:** actions to be taken beyond 24 months.

#### Question #6 for the Board:

a) Do members agree with the current actions definition?

Actions taken during the reporting period.

b) Do members agree with the short-term actions definition?

Actions to be taken over the next 12 to 24 months.

c) Do members agree with the long-term actions definition?

Actions to be taken beyond 24 months.

d) Do members have any technical edits for proposed standard #6?

*MD&A should summarize key risks, the current actions taken, and the short and long-term actions planned to mitigate those risks to achieve key performance outcomes and protect the reporting entity's financial position and condition into the future.*

## VII. **RECOMMENDATION**

### Proposed MD&A Standard #7

*MD&A may include well labeled visual aids, such as charts, tables, or graphs and a qualitative summary.*

## **ANALYSIS**

### **A. Proposed standard was not derived from the MD&A vision framework:**

This recommendation comes from user findings.

### **B. Pilot findings**

Users found visual aids very helpful in making quantitative information more useful and understandable. However, users stated that the summary should include an explanation of what the user was viewing in the visual aide.

Pilot agencies made an effort to include easy to read visual aids because they believed the aids helped users better understand the financial information.

### **C. Additional Information/recommendation(s)**

The Board's vision is for users to have easily understandable information about the financial position and condition of a reporting entity. This proposed standard supports this vision. In addition, staff has included the word "may" instead of "should" to recognize that this is encouraged but not required.

#### **Question #7 for the Board:**

#### **Do members have any technical edits for proposed standard #7?**

*MD&A may include well labeled visual aids, such as charts, tables, or graphs and a qualitative summary.*

## VIII. RECOMMENDATION

### Proposed MD&A Standard #8

*MD&A should identify key drivers related to systems and controls that could affect the entity's ability to produce reliable financial information and short and long-term actions to mitigate each one.*

## ANALYSIS

### **A. Proposed standard stems from the following MD&A vision framework content:**

The essential few conditions related to systems and controls that could affect the entity's ability to produce reliable financial information.

### **B. Pilot findings**

Pilot agencies and users preferred the term 'key drivers' over "essential few conditions."

The Board's vision is for users to understand only the key drivers behind systems and controls that could affect the reliability of financial information. This proposal addresses that vision.

### **C. Additional Information/recommendation(s)**

Staff recommends replacing "essential few conditions" with "key drivers." The definition for key drivers can be found in recommendation #4.

### **Question #8 for the Board:**

### **Do members have any technical edits for proposed standard #8?**

*MD&A should identify key drivers related to systems and controls that could affect the entity's ability to produce reliable financial information and short and long-term activities to mitigate each one.*



## IX. RECOMMENDATION

### Proposed MD&A Standard #9

*Management should include references to websites or other areas of the agency financial report to provide additional information, where applicable.*

## ANALYSIS

### **A. Proposed standard stems from the following MD&A vision framework content:**

MD&A may also include references to websites or other areas of the agency financial report that provide additional information when applicable.

### **B. Pilot findings**

Users appreciated the references and the ability to find more details elsewhere.

Pilot agencies did not have the additional burden of duplicating information.

### **Question #9 for the Board:**

### **Do members have any technical edits for proposed standard #9?**

*Management should include references to websites or other areas of the agency financial report to provide additional information where applicable.*

## X. RECOMMENDATION

### Rescind Statement of Federal Financial Accounting Standards (SFFAS) 15 Management's Discussions and Analysis in Its Entirety

Staff recommends rescinding SFFAS 15 in its entirety because the content and structure of those standards do not support an integrated, balanced, and concise discussion and analysis by management about the reporting entity's financial position, condition, and related key performance outcomes.

## ANALYSIS

SFFAS 15 should be rescinded in its entirety for the following reasons:

1. On June 8, 1999, FASAB published the Statement of Federal Financial Accounting Concepts (SFFAC) 3, *Management's Discussion and Analysis*, as part of the initial federal financial framework. However, these concepts were written as standards. Despite the standards-based language, as a concept statement, SFFAC 3 could not require MD&A as part of the agency financial reports. Therefore, on August 12, 1999, FASAB published an outline of SFFAC 3 as standards in SFFAS 15, *Management's Discussions and Analysis*. The Board expected agencies to use SFFAC 3 in conjunction with SFFAS 15 to prepare MD&As. However, agencies have only used SFFAS 15 for preparing MD&As, and the standards-based language in SFFAC 3 was ignored.
2. In 2017, staff conducted an on-line survey and round-tables to identify the challenges users had with the financial reports and MD&A. These outreach activities revealed that MD&A was very dense with duplicative information making it very hard for a user to understand the financial position and condition of the agency. One reason noted as a cause for the density and duplication, was the section requirements in SFFAS 15, paragraph 2.

SFFAS 15, paragraph 2 states:

*MD&A should contain sections that address the entity's:*

- *mission and organizational structure;*
- *performance goals, objectives, and results;*
- *financial statements; and*
- *systems, controls, and legal compliance.*

3. As a result of the SFFAS 15 section requirements, agencies repeat the same information throughout the MD&A in different sections to make sure they are providing enough information in each section. This requirement has created duplicative and dense information in the MD&A for a user to decipher.
4. Another cause for dense information in the MD&A are the titles of some sections.
  - a. ***“mission and organizational structure”***

The term “structure” has led agencies to include organizational charts and other information not related to financial position and condition.

The proposed standards will not include the term “structure” and will encourage references to more detailed information.

**b. “performance goals, objectives, and results”**

The section “performance goals, objectives, and result” is GPRA-MA terminology. As a result, agencies report performance by percentages achieved instead of how performance relates to the financial position and condition. In addition, OMB Circular A-11, *Preparation, Submission and Execution of the Budget*, Part 6, requires GPRA-MA reports be submitted in February with the budget submission instead of at the end of the fiscal year. This timing difference adds to preparer burden by forcing agencies to prepare two sets of performance reports – one for GPRA-MA and one for financial reporting.

The proposed standards will provide better guidance on integrating financial position, condition, and performance outcomes.

**c. “systems, controls, and legal compliance”**

The term “compliance” in SFFAS 15 has led to OMB circulars, such as OMB Circular A-136, *Financial Reporting Requirements*, to require compliance reporting, in the MD&A<sup>3</sup> which does not support a balanced, integrated, or concise discussion and analysis about a reporting entity’s financial position and condition.

The proposed standards do not include the word “compliance.”

5. The Board added the MD&A project to its agenda in June 2019. The MD&A project merged the Risk Reporting and Reporting Model-Phase I: MD&A and the Stewardship Investments Improvements projects that was addressing the previously mentioned issues identified by the on-line survey and round-tables.
6. The current MD&A project proposes to consolidate the standards-based language from SFFAC 3 and SFFAS 15 to provide updated standards for MD&A.

Based on the above reasons, staff recommends SFFAS 15 be rescinded.

**Question #10 for the Board:**

**Do members agree to rescind SFFAS 15 in its entirety?**

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<sup>3</sup> There are other required supplemental information sections, aside from MD&A, in the agency financial report where A-136 compliance information may be housed.

**Draft MD&A Vision Framework**  
Used by Pilot Agencies to develop Sample MD&As

**MD&A Vision Statement:** MD&A should summarize information about the financial position and condition of the reporting entity by discussing the entity's mission, organization, and key financial and performance results to inform users of its financial health and sustainability of major programs.

Therefore, MD&A should be an objective, concise, and easily readable summary analysis of:

- I. The essential few matters causing significant changes to the entity's (1) financial statement amounts during the current reporting period, and (2) financial, budgetary and key performance trends over past reporting periods.
- II. The current and planned actions that will address the essential few opportunities, challenges, and risks that could significantly affect financial statement amounts and key performance results in the future.
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MD&A may also include references to websites or other areas of the agency financial report that provide additional information when applicable.

**Eleven MD&A Objectives**

Developed August 2019 – June 2019 based on general (G), the four reporting objectives in SFFAC 1, *Objectives of Federal Financial Reporting*: budgetary integrity (BI); operating performance (OP); stewardship (ST); and systems and controls (S&C), and review of SFFAC 3, *Management's Discussion and Analysis*.

1. G-1 MD&A should concisely explain—in plain language—any budget and financial terms used, such as but not limited to, unfunded, unobligated, and net cost of operations. Aug 2019
2. BI-1 MD&A should concisely explain financing resources and the sources and status of budgetary resources. Aug 2019
3. BI-2 MD&A should concisely explain why significant changes in budgetary and/or financing resources were needed during the reporting period. Aug 2019
4. OP-1 MD&A should concisely explain if significant costs contributed to agency performance. Oct 2019
5. OP-2 MD&A should concisely explain reasons for significant changes in net cost from the prior year and any significant trends cost over multiple years. Oct 2019
6. OP-3 MD&A should provide an integrated discussion and analysis of the entity's mission, organization, budget, cost, and performance, for the entity's significant major program investments and the entity as a whole, including what types of resources the entity used and what the entity achieved during the reporting period. Feb 2020
7. OP-4 MD&A should provide a concise/balanced discussion/summary of significant financial and non-financial operating performance information, including electronic references to legislative performance framework documents, such as GPRAMA reporting, for the entity's major program investments and the entity as a whole. Feb 2020
8. ST-1 MD&A should concisely explain reasons for significant changes in assets, liabilities, costs, and/or revenues from the prior year and any significant trends. June 2020
9. ST-2 MD&A should concisely describe planned agency actions to address current and prospective mission-related issues, challenges, and/or risks that could significantly affect assets, liabilities, costs, revenues, and budgetary resources.
10. S&C-1 MD&A should concisely describe the conditions of data, systems, and controls that affect the ability to produce reliable financial information. June 2020
11. S&C NOTE A number of members recommended that MD&A should also include a summary discussion about ongoing and planned actions to address non-compliance and control weaknesses that may be causing material weaknesses. This includes references to other sections that have a more in depth discussion of those items.