

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

#2 - VA

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	<input type="checkbox"/>		
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Please email your responses to mda@fasab.gov. If you are unable to respond by email, please call (202) 512-7350 to make alternate arrangements.

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 clear and practical information to assist reporting entities in implementing a balanced, concise, integrated, and understandable MD&A, consistent with the principles outlined in paragraphs 8–11 of SFFAS 64. The guidance appropriately supports the standard's principles-based approach by offering practical examples without creating new requirements.

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 provides practical and clear information on how reporting entities may discuss mission and organization in the MD&A, consistent with the requirements in paragraph 12.a of SFFAS 64. Development guidance in A31(a)(b) effectively supports the principles-based intent of the standard by clarifying expectations while allowing for management judgment.

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 provides clear and practical information on how reporting entities may discuss and analyze financial position and financial condition in the MD&A. The guidance appropriately interprets and supports the requirements in

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paragraphs 12.b and 12.c of SFFAS 64 and is consistent with the broader principles in paragraphs 8–11 of SFFAS 64.

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.

Agree

The proposed SIG 64.1 provides practical and effective implementation guidance that aligns with SFFAS 64's requirements for discussing and analyzing key performance results and associated costs and will support more transparent, consistent, and informative MD&A reporting across federal entities.

- Supports SFFAS 64 paragraph 12.d
- Clarifies expectations for associated costs
- Consistent with SFFAS 64's principles-based framework
- Links performance to the statement of net cost

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

The proposed SIG 64.1 provides clear and practical information on how reporting entities may discuss and analyze significant opportunities and significant risks in the MD&A. The guidance appropriately supports and interprets the requirements in

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paragraphs 12.e and 12.f of SFFAS 64 and aligns with the principles in paragraphs 8–11 of SFFAS 64.

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

Agree

The proposed SIG 64.1 provides clear and practical information on how reporting entities may discuss and analyze management's assessment of the reliability of the reporting entity's financial information, including explanations of significant weaknesses in the financial management system, related systems, internal controls, or non-compliance with applicable laws. The guidance directly supports and interprets the requirements in paragraph 13 of SFFAS 64 and aligns with the principles outlined in paragraphs 8–11 of SFFAS 64.

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

Yes

VA offers one additional comment.

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One area where additional clarification could be helpful is in describing how reporting entities should approach linking to information outside the AFR. Clarifying expectations around link stability and accessibility could promote consistency across reporting entities.