

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

#6 - DEPARTMENT OF THE TREASURY

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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The Department of the Treasury agrees with the proposed guidance to implement a balanced, concise, integrated, and understandable MD&A, as it provides helpful information and examples for entities to consider when developing their MD&A content.

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.

The Department of the Treasury agrees with the proposed guidance for how to discuss mission and organization in MD&A, and has noted that an organizational chart is not required.

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.

The Department of the Treasury agrees with the proposed guidance for how to discuss and analyze financial position and condition in MD&A, as it provides helpful information for entities to consider when developing their MD&A content.

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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The Department of the Treasury agrees with the proposed guidance to discuss and analyze financial position and condition in MD&A, as it provides helpful information and examples for entities to consider when developing their MD&A content.

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.**

The Department of the Treasury agrees with the proposed guidance on discussing and analyzing significant opportunities and risks in MD&A, as it provides clear direction and examples for presenting the potential positive effects of significant opportunities and for explaining plans to mitigate the potential negative effects of significant risks on key performance results.

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.**

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The Department of the Treasury agrees with the proposed guidance for discussing and analyzing management's assessment of the reliability of the reporting entity's financial information in MD&A. Although a separate systems, controls, and legal compliance section is not required by SFFAS 64, entities should continue to explain significant weaknesses in the financial management system, related systems, internal controls, or non-compliance with applicable laws.

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

The Department of the Treasury has no additional comments to provide.
