

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

Comments Due December 7, 2023

**#7 – DOJ (combined responses) (DOJ)**

Organization Type	Organization Name	First name	Last name	Email
Federal entity (Preparer)	DOJ (combined responses)	Corvada	Washington	Corvada.Washington@usdoj.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	DOJ has reviewed the proposed standards and confirmed that they contain adequate information for agencies to cover essential topics consistently. Moreover, the standards offer enough flexibility to customize the discussion to an agency's specific risks, transactions, events, etc. The proposed topics align with the areas covered in the Department's current MD&A for FY 2023. Implementing these standards will make the MD&A more beneficial for the end-user.	DOJ

**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	DOJ does not anticipate a significant decrease in the effort required to develop and report the MD&A topics, but reporting redundant information may be reduced.	DOJ

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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	Agree. DOJ believes that the guidance provided in paragraphs 8 through 11 is sufficient for presenting the MD&A more beneficially for the end user.	DOJ

**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	Agree. DOJ believes that paragraphs 12 and 13 provide adequate guidance for topics to be included in the MD&A, making it more informative.	DOJ

**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?

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Response	Rationale	Organization Name
Partially agree	First concern (Paragraphs A48-A49, A55) - DOJ agrees with Ms. Johnson's first concern. The Department believes that the ED does not introduce enough new concepts to warrant the replacement of SFFAS 15. Instead, it suggests amending SFFAS 15. Second concern (Paragraphs A50-A51) - DOJ disagrees with the second concern expressed. The Department doesn't think the ED would result in a more labor-intensive process in the short or near term. Even if it causes some agencies to take time to review the standard and reflect on their current MD&A, the Department believes it would be beneficial. The proposed ED does not differ significantly from SFFAS 15 to cause a heavy burden. Third concern (Paragraphs A52-A53) - DOJ agrees with the third concern. It believes that the unclear text in MD&As results more from a lack of understanding or resources than SFFAS 15's guidance. Fourth concern (Paragraph A54) - DOJ disagrees with the fourth concern expressed. The guidance proposed in the ED is broad enough for government entities to determine the level of brevity of their MD&A. While removing the requirement to produce an MD&A for entities below a certain size/significance level would reduce the burden of preparation, the MD&A has value for users of the financial reports, as noted in A11-ii of Appendix A.	DOJ

**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
DOJ believes that consolidating SFFAC 3 and SFFAS 15 is the most significant benefit provided by this ED. The Department does not anticipate this will materially change the way our agency prepares the MD&A or the content contained in the MD&A. The Department believes the success in reducing the length of the entities' MD&A noted in Appendix A was more the result of FASAB staff working directly with agencies and providing guidance to agency staff, as suggested by Ms. Johnson in paragraph A52, and that the impact could likely be replicated through FASAB reach-out and training as well as by sharing the results of the pilot (agency MD&As before and after the pilot to use as guides) without the need for an entirely new standard. The Department believes there is value in the guidance provided by the ED but agrees with Ms. Johnson that the changes could be made as amendments to SFFAS 15 instead of a brand-new standard.	DOJ (combined responses)