

#8 – Department of Interior (Interior)

Organization Type	Organization Name	First name	Last name	Email
Federal entity (Preparer)	Interior	DaCari	Graham	dacari_graham@ios.doi.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	<p>Office of the Secretary (OS)- Agree: Consolidating both the form and content in a conceptual way will make formulating and presenting the MD&A much easier and much clearer for the reader.</p> <p>Indian Affairs (IA)- Agree: This gives the agencies more flexibility.</p> <p>Bureau of Ocean Energy Management (BOEM)/Bureau of Safety and Environmental Enforcement (BSEE)- Agree: Outlining what is required in the MD&A in one standard is helpful and more concise, while giving agencies the discretion to identify the MD&A sections titles and content.</p> <p>Bureau of Reclamation (Reclamation)- Agree: The footnotes provide additional clarity.</p> <p>National Park Service (NPS)- Partially agree: While the ED provides guidance, the guidance appears to be very prescriptive in detailing what information should be included (Paragraph 12) and seems to conflict with Footnote 3 that states a principled-based approach refers to relying on high-level, broadly stated principles rather than detailed, prescriptive rules. Paragraph 12 should</p>	Interior

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

Comments Due December 7, 2023

	reiterate "emphasizing the vital few matters", which could be overlooked from where it is placed in 9.a.	
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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	<p>OS-Agree: Limiting the source of guidance to one standard will reduce the burden by reducing the time needed to research what information should be reported and how it should be reported. Further, streamlining the information to be presented reduces duplication and the extra effort spent on producing that duplicative information.</p> <p>BLM - Partially Agree: In the long run it would reduce preparer cost and burden but could potentially increase costs initially to interpret and implement standard with the requirement changes and it is unknown at this time if additional resources would be needed. IA-Agree: this will result in less time researching issues.</p> <p>US Geological Survey (USGS) - Partially agree: implementing a new standard will initially increase the cost and burden.</p> <p>NPS - Disagree: initialization will not be a cost neutral effort. Costs will decrease over time from the initial inception, but not likely go below what we are currently expending. Additionally, an expanded checklist will increase reporting burden (Para 12 and 13). Resources (time and labor) are limited from when the financial statements are "final" and when the MD&A is prepared and finalized given the concurrent nature of these activities. Prescribing the analysis requirements does not reduce cost or burden.</p> <p>BOEM/BSEE - Partially agree: initially the cost/burden might be more and not reduced, but in time might become less of a cost/burden. Any updated or new guidance takes resources to review and implement.</p> <p>Office of Surface Mining Reclamation and Enforcement (OSMRE)- Agree: reduction of duplication.</p> <p>Reclamation- Partially agree. Preparer burden (and costs) will initially be increased temporarily due to interpreting and implementing the new statement.</p>	Interior

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

Comments Due December 7, 2023

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	<p>OS- Agree: the guidance provided in 8-11 is general enough to be useful to the wide array of agencies, missions and needs; but it is also specific enough to be actionable by those responsible for financial reporting. Previous guidance was at too deep a level to be fully understood by the general public. The updated guidance strikes the right balance.</p> <p>BLM- Agree IA- Agree: paragraphs 8-11 provide sufficient guidance.</p> <p>USGS- Agree</p> <p>NPS- Agree: this is explained adequately in the ED and further justifications would be listed in other sections. Clarification of Footnote 7 is recommended, i.e., what explanation is anticipated - is it the difference between the types of information, e.g., "audited" and "unaudited" or something else?</p> <p>BOEM/BSEE- Agree: paragraphs 8-11 provide adequate guidance as to what should be included. Combining related data and referencing where more information can be found related to the data/information gives the reader the opportunity to delve in more or not.</p> <p>OSMRE- Agree: summarizing and simplifying data being presented will enhance the understanding of the MD&A. Reclamation- Agree</p>	Interior

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?

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

Comments Due December 7, 2023

Response	Rationale	Organization Name
Agree	<p>OS- Agree: While not providing the specific wording, this guidance provides a pretty complete list of the topics the Board wants to see included in a high-quality MD&A discussion. Reclamation- Agree: The footnotes provide additional clarifying information.</p> <p>OSMRE- Agree</p> <p>BOEM/BSEE- Agree: paragraphs 12-13 adequately outline what needs to be included in the MD&A.</p> <p>NPS- Agree: this is explained adequately in the ED and further justifications would be listed in other sections. Please clarify Footnote 8 that references "heritage assets" as RSI (perhaps this pertains to the Deferred Maintenance and Repairs for heritage assets or to the estimated Stewardship Land acres). Also, Heritage assets are reported as Basic per SFFAS No. 29). Item 12.c. "Key performance results and the associated costs" - it may be difficult to isolate specific costs to the performance results as costs may be shared across multiple activities. Observation of Footnote 12 content: as the financial reports are generally prepared at the end of the reporting period, "actions the reporting entity expects to execute during the current reporting period" would have already occurred, wouldn't they? Is it necessary to report on short-term plans? In Paragraph 13, Is there justification for including "contracts and grant agreements" as separately listed items? Aren't these covered under applicable laws and regulations?</p> <p>USGS- Agree IA- Agree: paragraphs 12-13adequately explains the requirements for what should be included in the MD&A.</p> <p>BLM- Agree</p>	Department of the Interior

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?

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

Comments Due December 7, 2023

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Partially agree	<p>OS- Partially agree: We can see FASABs point of view. Disagree that this isn't a big change to the requirements for MD&A and that the new standard, if adopted, wouldn't simplify things for the readers. We believe it would simplify things quite a bit and think that those in the alternative are looking at the existing MD&A from an accountant's point of view. To us, things may not have changed much. But words matter, and to someone without a decent understanding of accounting and FM principles, things could be misunderstood or just missed entirely.</p> <p>BLM- Agree IA- Agrees</p> <p>USGS- Agree: with paragraph A50 and A51. The initial implementation will be more of a burden on the preparers in the near term and possibly beyond. Agree with paragraph A54. A tiered reporting requirement makes fiscal sense and will reduce burdens on smaller agencies.</p> <p>NPS- Partially Agree: Although SFFAS 15 and the ED are similar in nature, there would likely be an increase in initialization costs. Agree with Paragraph A.51 that the ED contains more prescriptive requirements than SFFAS 15 that will have the effect of lengthening the checklists used by preparers and auditors. As far as tiered reporting, size may not be the best determination of whether an MD&A should be prepared; however, expecting all requirements of SFFAS 15 to be met may be too stringent and not the best use of resources.</p> <p>BOEM/BSEE- Partially agree: one standard is helpful and more concise. There is cost and burden having to refer to several standards and other guidance, i.e., OMB-136, in order to fulfill the requirement(s).</p> <p>Reclamation- Partially agree. While SFFAS 15 and the ED do not have significant differences, the ED seems to provide more clarity. For example, the new SFFAS specifies the entity may provide the availability of additional information instead of reiterating the information in the MD&A (e.g., GPRA). Only partially agree with A50 and the potential to “..make the preparation process more labor-intensive, at least in the near term, as preparers transition to a new Statement and together with their auditors interpret new guidance”. As with any new or updated guidance, the preparer burden will most likely increase</p>	Interior

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

Comments Due December 7, 2023

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	<p>temporarily as the guidance is studied and implemented. Ms. Johnson and Mr. McNamee bring up a valid point regarding imposing the same requirements on all entities regardless of size. Reclamation defers to the smaller entities but thinks tiered reporting may be beneficial.</p> <p>OSMRE- Partially agree: although the ED and SFFAS 15 are similar in nature, the ED contains more descriptive requirements.</p>	

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

Comments Due December 7, 2023

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
NPS- Footnote 6 seems a bit premature, "...given that the relevant content from SFFAC 3 has been adapted in this proposal.." especially as the proposal of rescinding and replacing SFFAS 15 has not been agreed to as of the issuance of the ED. November 27, 2023 is the due date for the Omnibus ED and December 7, 2023 is the due date for the MD&A ED. If there is a presumption that the MD&A proposed new Standard is adopted, perhaps seeking respondent feedback is unnecessary.	Interior