

#9 - Defense Information Systems Agency (DISA)

Staff Implementation Guidance 64.1 Exposure Draft – DISA Comments

QFR1. 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.

Agree. MD&A is to summarize understandability and usefulness of a reporting entity's business through management's insights about its organization and mission; financial position and condition; operating performance, opportunities, and risks; and systems, internal controls, and compliance with applicable laws and regulations. That is a fair representation.

QFR2. 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. Mission and organization are to provide in context of the financial statements and what adds value. The discussion of opportunities and risk can provide an overall picture of the entity. However, this information should be general due to providing too much information for adversaries to use.

QFR3. 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, financial position is as of a point in time, condition is prospective mission-related issues, challenges, and/or risks.

QFR4. 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 that performance results and associated costs may provide a snapshot of information for understanding by bringing together mission requirements and its associated results. We do not agree that the document should contain hyperlinks and other links to other data for additional information. This is primarily due to if there are updates to those spaces and links, the linked data becomes inaccessible and serves no

purpose. Linked data may be moved to other spaces/storage, and it would make that portion of the report inaccurate. In addition, when a report is saved pdf, the links are not accessible.

QFR5. 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. Financial information for public review for opportunities and risks can provide insight into the entity's business, functions and challenges.

QFR6. 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 noncompliance 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.

Partly agree. While discussion of reliability of financial information can help the reader's understanding, discussion of significant weaknesses, and internal control deficiencies, especially operational, can be used by our adversaries.

QFR7. Do you wish to comment on any other aspects of this proposal? None.