

# Management analysis

Finance



Management Analysis MEMO June 18, MANAGERIAL DISCUSSIONS AND ANALYSIS Management discussion and analysis are prompted by the necessity to ensure government financial reporting. Besides management discussions and analysis, there are diverse components of government financial reporting. The three major components of national financial reporting are management discussions and analysis, basic financial statements and required supplementary information. Therefore, management studies and analysis of various financial reports of organizations is fundamental in governments reporting (Finkler et al., 2013, p. 476).

In achieving the objectives of financial reporting, GASB (Governmental Accounting Standards Board) demands that managers issue financial statements. The managing director, however, does not participate in preparing financial statements because the report is considered supplementary information (Finkler et al., 2013, p. 477). However, compiling financial statements requires the assistance of managing directors in compliance with GAAP (Generally Accepted Accounting Principles) outlined in GASB policies on management discussions and analysis.

Guidelines on management discussions and analysis require managing directors to access readable documents for government enquiry on financial services based on relevant facts, conditions and decisions. It involves comparisons of different years based on the government's gathered information on financial issues (Finkler et al., 2013, p. 476). Furthermore, discussions must include the government's general economic positions with outcomes of operations to assist the public in assessing financial positions and improvement of altered results on the year's activities.

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Accountants and managing directors should include graphs, tables and charts appropriately in their financial reports to assist other managers in further analysis of information presented. Such information help in keeping relevant information and achieving goals set without following a rigid format that omits some valuable information.

#### References

Finkler, S. A., Purtell, R. M., Calabrese, T. D., & Smith, D. L. (2013). Financial management for public, health, and not-for-profit organizations. New Jersey, NJ: Pearson Education, Inc.