

September 29, 2011

Office of the Secretary  
Public Company Accounting Oversight Board  
1666 K Street, NW  
Washington, DC 20006-2803

**Via website submission: [comments@pcaobus.org](mailto:comments@pcaobus.org)**

**RE: PCAOB Rulemaking Docket Matter No. 34 – *Concept Release on Possible Revisions to PCAOB Standards Related to Reports on Audited Financial Statements and Related Amendments to PCAOB Standards***

To whom it may concern:

Our bank appreciates the opportunity to comment on the proposed revisions to the PCAOB Standards related to reports on Audited Financial Statements and Related Amendments to PCAOB Standard.

ViewPoint Bank is a community savings bank that is wholly-owned by ViewPoint Financial Group, Inc. We are based in Plano, Texas and have approximately \$3.0 billion in assets and over \$419 million in public float. We currently operate 25 community bank offices and 12 loan production offices.

We disagree that the proposed changes to the auditor's report will provide additional information that will be useful to investors, and in fact will only increase the cost of audits to community banks without any beneficial value. Our primary concerns are outlined below:

#### **Cost Benefit**

We disagree that the value derived from expanding auditor procedures to include an AD&A or to provide auditor assurance on other information outside the financial statements will exceed the massive costs that would be required to perform the procedures. Such approaches will only lead to more user confusion between the different reports issued by the auditors and management and will likely increase the already-existing "expectation gap" of what audit assurance actually provides to the investor. For example, discussion of audit "close calls" may actually cause the financial statement user to question the quality of the audit work (why the auditor "caved in" on this issue) and why the amounts actually recorded should be relied upon. The focus of the audited financial statements should not be on the auditor, but on the related reporting entity.

We agree with the outreach participants that a movement away from using standardized language in the auditor's report could also require additional audit effort, such as the auditor's time and effort in preparing and reviewing the report, which would result in an increase in cost as a result of the increase in the scope of the auditor's responsibilities, requirements, and procedures.

**Usefulness of additional disclosure**

We believe that this information from the auditor, at best, will only confirm what is already disclosed in footnotes to the financial statements or the MD&A. Over time, investors may become frustrated with the auditors' language, which is likely to be carefully-crafted and self-protecting. This could eventually render most of the additional reporting as irrelevant. At worst, such reporting, especially since it relates to highly judgmental areas, could result in unwarranted uncertainty among users. Additionally, just as bank audited financial statements often include scores of pages of footnote disclosures, the emphasis paragraphs could also turn the auditor report into one of similar length, thereby diluting the emphasis objective.

We believe the PCAOB should consider *solely* how the auditor report can be revised to add limited **clarifying** language at minimal cost to respond to the concerns identified with the pass/fail model currently used.

Thank you for considering our comments.

Sincerely,



Patti McKee, CPA  
EVP, Chief Financial Officer  
ViewPoint Bank