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September 30, 2011

Office of the Secretary
Public Company Accounting Oversight Board
PCAOB Rulemaking Docket Matter No. 34
1666 K Street,
N.W., Washington, D.C 20006-2803

Re: PCAOB Rulemaking Docket Matter No. 34, Concept Release on Possible Revisions to PCAOB Standards Related to Reports on Audited Financial Statements

Dear Board Members:

We appreciate the opportunity to comment on the Public Company Accounting Oversight Board's (PCAOB) "Concept Release on Possible Revisions to PCAOB Standards Related to Reports on Audited Financial Statements and Related Amendments to PCAOB Standards," (the "concept release") dated June 21, 2011.

Synopsys, Inc. is a world leader in the electronic design automation (EDA) market. We supply software, IP and services for semiconductor design, verification and manufacturing.

We appreciate the Board's efforts to consider changing the audit reports for financial statements to enhance the usefulness for the users (i.e. the investor community). However, we believe that the potential changes reflected in the concept release will not only fail to enhance the usefulness of financial statements, but will actually complicate the communication of the auditor's opinion, while driving the cost of audits significantly higher. **Hence, we strongly suggest retaining the existing format and language of the auditor's report.**

The current format of the auditor's report provides a clear and complete representation of the auditor's opinion on the financial statements. The format ensures no confusion for the reader since the report follows a pass/fail model. The "pass" grade is a high standard to achieve and auditors do not make the "pass" representation lightly. The auditors must represent, without any qualifications, that the financials present fairly, **in all material respects**, the financial position of the company. In our opinion, any expansion of the report to include discussions of factors such as those impacting the issues encountered during the audit or an Auditor Discussion and Analysis, would serve only to dilute the representation and confuse readers by forcing them to evaluate the interrelation of the additional disclosures, understand new terms and interpret various comments that may be included in the proposed auditor's report. In our opinion, while sophisticated investors with significant research resources, such as institutional investors, may be able to navigate through the maze of the additional disclosures, we believe most users will have significant difficulty in doing so.

In all of the years that we have been filing our financial statements, we have received no inquiry from the investor community seeking any clarification of either the audit report or the contents presented therein. Therefore, we believe that these proposed revisions are not required or expected by the investor community.

We are further concerned about the increased costs associated with audit firms providing the proposed additional disclosures such as an AD&A and assurances on information outside of the financial statements. Historical experience with the increased costs for the additional representations related to SOX suggests a large increase in costs would result from the expansion of the audit report. We believe the increased costs do not support the benefit, if any, that may exist from the increased disclosures.

With this background, we offer the following feedback regarding the various alternatives described in the Concept release:

Auditor's Discussion and Analysis

We do not believe that the inclusion of an AD&A would achieve the objective of improving the understanding of the financial information by the users. Instead, any discussion of deficiencies or alternative approaches for an accounting matter would contradict a clean opinion and confuse the investors. Furthermore, we believe that auditors will include voluminous boilerplate language in order to reduce their exposure to litigation on account of the additional information required in the report. This language will provide limited, if any, qualitative inputs to improve the readers' understanding.

We also believe that the AD&A will become the auditors' view of which part of the financial information is most useful, which we believe is beyond the responsibility of the auditors. Along with additional responsibility would come a significant increase of costs to complete the audit, which we believe are unnecessary.

Required and Expanded Use of Emphasis Paragraphs

We do not believe that including mandatory emphasis paragraphs improves the understanding of the financial statements. As mentioned above, investors might confuse emphasis discussions as potential issues with the financial statements. Therefore, extensive investor education may be required to prevent any such confusion. We also believe that the responsibility of determining which areas of the financial statements are important to the readers should not be that of the auditors; instead, that responsibility should remain with management. Finally, PCAOB standards and guides already provide detailed descriptions of how auditors should deal with matters such as management's estimates and judgments. We believe that the investor community understands and has knowledge that all the auditors follow such guidance while performing the audit. Therefore, we do not feel that disclosing these procedures is helpful to the investor community or adds any additional benefit to making investment decisions.

Auditor Assurance on Other Information Outside of the Financial Statements

We believe that requiring auditors to provide assurance on information outside of the financial statements is not appropriate and that such assurances would be cost prohibitive. For example, we believe that management, not the auditor, is the most competent authority to provide a qualitative discussion in the MD&A on key changes as they are deeply involved in the day-to-day running of the business. Similarly, requiring auditors to provide meaningful assurance on non-GAAP information would be cumbersome as there are no set standards to govern its form or composition. Most of the non-GAAP information provided is specific and unique to each company. This information is based on how management views its business and it would be unrealistic to expect a uniform set of audit procedures to assist in providing any positive assurance on the adequacy or content of non-GAAP information. Providing assurances on MD&A or non-GAAP information would entail extensive procedures by the auditors and the costs would certainly outweigh the benefits.

Clarification of the Standard Auditor's Report

We believe that the current auditor's report provides adequate information about each company's financial statements. We do not believe that the audit report is the appropriate medium to educate the investor community of the audit process, risks, and independence issues that exist in any audit situation. Such education, including clear and concise summaries of the various PCAOB standards, could be presented generally through various other mediums, such as pamphlets from the PCAOB.

Therefore, we request retaining the current format of the auditor's report as an adequate and complete representation of the auditor's opinion on the financial statements. We believe the appropriate approach to improve the quality of the audits performed on the financial statements by the audit firms should be through the mechanism of the Board continuing to carry out effective reviews and providing suggestions to improve audit procedures and disclosures by the company in the financial statements.

We would like to refrain from answering specific questions mentioned in the concept release, but hope that the above responses communicate our concerns. We request you to strongly consider these thoughts and resist making any changes to the auditor's report.

Sincerely,



Brian M. Beattie
Chief Finance Officer



Sujit Kankanwadi
Director, Accounting