



BNY MELLON

September 30, 2011

Office of the Secretary
Public Accounting Oversight Board
1666 K Street, NW
Washington D.C. 20006-2803

Filed via Electronic Submission: comments@pcaobus.org

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

Dear Sir/Madam,

The Bank of New York Mellon Corporation (“BNY Mellon”) wishes to comment on the PCAOB Rulemaking Docket Matter No. 34 – *Concept Release on Possible Revisions to PCAOB Standards Related to Reports on Auditing Financial Statements and Related Amendments to PCAOB Standard.*

BNY Mellon is a global financial institution with \$305 billion in assets, \$1.3 trillion in assets under management and \$26.3 trillion in assets under custody and administration. We are a U.S. SEC Registrant and have also been subject to the Federal Deposit Insurance Corporation Improvement Act of 1991 (“FDICIA”) and the Sarbanes Oxley Act of 2002 for many years.

BNY Mellon believes that an independent audit needs to remain objective and that no bias or different qualitative perspective should be introduced. Independent auditors are not trained analysts, although they do possess many analytical skills, by the nature of their profession such analytical skills are (and should be) more directed towards the negative. Well trained and experienced auditors should be asking themselves “what am I missing?”, “is this too good to be true?” and their professional skepticism is to be applauded and nurtured by the PCAOB and the accounting firms and their professional bodies. In light of this, we do not believe that an Auditor’s Discussion and Analysis (“AD&A”) report is necessary, because such matters as contemplated in the PCAOB proposal are generally already communicated to the Audit Committee of the Board of Directors prior to the issuance of the independent auditor’s report. Any matters of significant disagreement would therefore have been addressed with management, the independent auditors and the Audit Committee during the preparation of the financial

statements and management's discussion and analysis ("MD&A"), otherwise a qualified audit opinion may be rendered by the audit firm with respect to any material deficiencies in the audited financial statements or any inconsistencies between the MD&A and the financial statements.

BNY Mellon does not believe that an expanded emphasis paragraph should be required in all independent auditors' reports. While we understand that there is a view that expanded emphasis paragraphs may assist users in focusing on matters that could impact their investing decisions, we are concerned that auditors do not have the appropriate perspective or expertise to provide such guidance. Under today's auditing standards the auditors can write an emphasis paragraph if necessary, and we do not believe that this should be a requirement.

BNY Mellon, however, does believe that it would be an improvement if independent auditors were required to provide written assurance on financial information disclosed outside of the audited financial statements, such as MD&A or other information. In our view, we believe that such assurance procedures should equate to the same level of assurance typically provided by auditors in comfort letters associated with 1933 Act filings with the U.S. Securities and Exchange Commission.

BNY Mellon believes that clarifying language about what an audit represents and the related auditor responsibilities, in areas such as reasonable assurance, auditor's responsibility for matters such as fraud, financial statement disclosures, management's responsibility for the preparation of the financial statements, and auditor independence in the standard auditor's report would be helpful to users and may assist in ensuring that the "expectation gap" is closed further. We are concerned, however, that only "boilerplate" language will develop over time and that such additional language may not be fully understood or appreciated by the users and other constituents who read audited financial statements.

If you have any questions or are in need of any further information, please contact me at (212) 635-7080.

Sincerely,



John A Park
Corporate Controller