ANNOUNCEMENT
Use of Bold Type Face/ Normal Type Face in Auditing and Assurance Standards

I. As the members are aware, the Institute of Chartered Accountants of India has till date issued 35 (thirty five) Auditing and Assurance Standards (AASs). It may be reiterated that all the Standards are mandatory in nature. This means that while carrying out an attest function, it will be the duty of the members of the Institute to ensure that these AASs are followed in the audit of financial information covered by their audit reports. If for any reason a member has not been able to perform an audit in accordance with the AASs, his report should draw attention to the material departures therefrom.

II. Further, it might have been noted by the members that in case of AAS 1 to AAS 15, the entire text of the Standards appears in normal type face, except for the headings and sub headings therein. On the other hand, in case of AAS 16 to AAS 35, certain text in the Standards is appearing in **bold type** face and certain portion of the text appearing in normal type face. Normally, in these Standards, the **bold type** face has been used to used to facilitate distinction between the principles *vis a vis* the application/ procedural aspects, which have been written in normal type face. In any case, however, the entire text of the Standard is mandatory, irrespective of the fact whether such distinction is made in the Standard or not.

The New Format (applicable from 1st April, 2008)*

III. Members may also note that recently, the Council of the Institute of Chartered Accountants of India has approved the ***Preface to the Standards on Quality Control, Auditing, Review, Other Assurance and Related Services.*** The said Preface introduces a totally new format of writing Standards, in line with that adopted by the International Auditing and Assurance Standards Board pursuant to its Clarity Project. According to the new format the Standards on Auditing (SAs) would now contain two distinct sections, one, the Requirements section and, two, the Application Guidance section.

IV. The fundamental principles of the Standard are contained in the Requirements section and represented by use of "shall**".** Hitherto, the word, "should" was used in the Standards, for this purpose. Further, this format also does away with the need to present the principles laid down by the Standard in bold text. The application and other

* The *Preface to Standards on Quality control, auditing, Review, Other Assurance and Related Services* and the document containing the Reclassification and renumbering of the Auditing and Assurance Standards issued by the Institute have been published in the July 2007 issue of the Journal.

explanatory material contained in a Standard on Auditing (SA) is an integral part of the SA as it provides further explanation of, and guidance for carrying out, the requirements of an SA, along with the background information on the matters addressed in the SA. It may include examples of procedures, some of which the auditor may judge to be appropriate in the circumstances. Such guidance is, however, not intended to impose a requirement. In view of this format of writing, the **standard portion or principles enunciated in a Standard would no longer be given in bold face.**

V. The new presentation format has, however, not as yet being followed in drafting the Standards on Quality Control and other Standards.

VI. There is no change in the authority attached to the Standards, i.e., they are mandatory in nature, notwithstanding the new format of writing the Standards.