

2023 Knowledge Based Audits™ of Governmental Entities (with GASB 87, 94, 96 and 99 updates)  
June 2023

# CCH Axxess™ Knowledge Coach and CCH® ProSystem fx® Knowledge Coach

## Welcome to 2023 Knowledge-Based Audits™ of Governmental Entities (with GASB 87, 94, 96, and 99 updates) for Knowledge Coach

This bulletin provides important information about the 2023 release of Knowledge-Based Audits™ of Governmental Entities (with GASB 87, 94, 96, and 99 updates). Please review this bulletin carefully. If you have any questions, additional information is available on CCH [Support Online](#).

### Important Note for Updating to this title version:

- Please note that you will have to update from the 2023 Knowledge-Based Audits of Governmental Entities title available as of May 3, 2023, even if you are updating from the 2022 version of the title
- To complete the update, install and roll forward or update to the 2023 Knowledge Based Audits of Governmental Entities and then roll forward again to 2023 Knowledge-Based Audits™ of Governmental Entities (with GASB 87, 94, 96 and 99 updates)

## Information about the Title

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This title is designed to help the auditor efficiently and effectively perform financial statement audits and, when applicable, audits of internal control over financial reporting, of state and local governments in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS) and generally accepted government auditing standards (GAGAS). Knowledge-Based Audit™ Methodology is a risk-based methodology that emphasizes using knowledge of the entity to make risk assessments in connection with a financial statement audit. This allows the auditor to more appropriately focus audit efforts on those areas which in the auditor's judgment are the most significant and pose the most risk of material misstatement to the financial statements.

Conducting audits of government entities requires the exercise of the auditor's professional judgment. Additionally, the operations of government entities are often unique and complex and may require specialized accounting and auditing knowledge. This edition includes specific, up-to-date guidance for auditing government entities.

This document is published for the purpose of communicating the updates and enhancements included in the current version to users of the toolset. This document is not, and should not be used as, an audit program to update the audit documentation of an engagement started in a previous version of this product.

The 2023 title includes CCH® Accounting Research Manager® material links to specific guidance, providing instant access to detailed analysis related to the steps and processes discussed in the workpapers.

## New in this Release

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### 2023 Edition of Knowledge-Based Audits of Governmental Entities (with GASB 87, 94, 96, and 99 updates)

This edition features numerous enhancements, including:

- All reports have been modified and updated for GASB 87 — 99
- COR 215 Communication with Those Charged with Governance During Planning, COR-803 Request for Confirmation of Securities Held by Brokers or Other Third Parties When Listing of Securities is Included in the Confirmation Request, COR-804 Request for Confirmation of Securities Held by Brokers or Other Third Parties When Listing of Securities is Not Included in the Confirmation Request, and COR-901 Management Representation Letter have been modified and updated for GASB 87 — 99
- AID 821 has been modified and there are 3 new AIDs for GASB 87 — 99
- New Practice Aids include AID-817 SBITA Summary, SBITA Subscription Asset/Liability Rollforward, AID-840 PPP (SCA) Operator Asset Summary, PPP (SCA) Operator Asset/Liability Rollforward, and AID-841 PPP Transferor Summary Analysis
- AUD 201 Audit Program: Opening Balances and Additional Audit Procedures for an Initial or Reaudit Engagement has four new substeps for GASB 87 - 99
- AUD-803 Audit Program: Exchange Revenues and Receivables, AUD-807 Audit Program: Capital Assets and Depreciation Including Service Concession Arrangements and Lease Assets, and AUD-810 Audit Program: Long-Term Debt and Lease and Debt Service have been updated with many new steps and modifications to existing steps for GASB 87 — 99
- AUD-803 Audit Program: Exchange Revenues and Receivables, AUD-807 Audit Program: Capital Assets and Depreciation Including Service Concession Arrangements and Lease Assets, AUD-808 Audit Program Accounts Payable and Purchases , AUD-809 Audit Program: Payroll, Pensions, OPEB, Related Liabilities, and Deferred Outflows and Inflows of Resources, AUD-810 Audit Program: Long-Term Debt and Lease and Debt Service, AUD-818 Audit Program Derivative Instruments, AUD-904 Audit Program: Compliance With Laws and Regulations, Contract Provisions and Grant Agreements, and AUD-909 Audit Program: Financial Statement Review have been updated to include new and modified practice points throughout the workpapers for GASB 87 — 99

The 2023 release of Knowledge-Based Audits of Governmental Entities (with GASB 87, 94, 96, and 99 updates) is current through:

- AICPA Statement on Auditing Standards (SAS) No. 134, Auditor Reporting and Amendments, Including Amendments Addressing Disclosures in the Audit of Financial Statements
- SAS No. 135, Omnibus Statement on Auditing Standards – 2019
- SAS No. 137, The Auditor’s Responsibilities Relating to Other Information Included in Annual Reports
- SAS No. 138, Amendments to the Description of the Concept of Materiality
- SAS No. 139, Amendments to AU-C Sections 800, 805, and 810 to Incorporate Auditor Reporting Changes from SAS No. 134
- SAS No. 140, Amendments to AU-C Sections 725, 730, 930, 935, and 940 to Incorporate Auditor Reporting Changes from SAS Nos. 134 and 137
- SAS No. 141, Amendment to the Effective Dates of SAS Nos. 134–140
- SAS No. 142, Audit Evidence (effective for periods ending on or after December 15, 2022)
- AICPA Ethics Interpretation, Staff Augmentation Arrangements (ET sec. 1.275.007)
- GASB No. 87, Leases (effective for periods beginning after June 15, 2021)
- GASB No. 99, Omnibus (implemented the requirements that were effective upon issuance April 2022 and requirements related to leases, PPPs, and SBITAs effective for periods beginning after June 15, 2022)

Auditors who have not implemented the provisions of these standards should use a previous edition of this toolset.

There is dual guidance in this toolset for the following pronouncements. Earlier provisions are identified with "applies prior to adoption of GASB 94 or 96" for auditors who have not implemented the new statements and updated provisions are identified with "if adopted GASB 94 or 96" for auditors who have implemented the new statements. The following GASB statements have dual guidance:

- GASB No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements (effective for periods beginning after June 15, 2022);
- GASB No. 96, Subscription-Based Information Technology Arrangements (effective for periods beginning after June 15, 2022)

The following standards have not been fully incorporated but are discussed in practice alerts:

- SAS No. 143, Auditing Accounting Estimates and Related Disclosures (effective for periods ending on or after December 15, 2023)
- SAS No. 144, Amendments to AU-C Sections 501, 540, and 620 Related to the Use of Specialists and the Use of Pricing Information Obtained from External Information Sources (effective for periods ending on or after December 15, 2023)
- SAS No. 145, Understanding the Entity and Its Environment and Assessing the Risks of Material Misstatement (effective for periods ending on or after December 15, 2023)
- SAS No. 146, Quality Management for an Engagement Conducted in Accordance with Generally Accepted Auditing Standards (effective December 15, 2025)
- SAS No. 147, Inquiries of the Predecessor Auditor Regarding Fraud and Noncompliance with Laws and Regulations (effective for audits of financial statements for periods beginning on or after June 30, 2023)
- SQMS No. 1, A Firm's System of Quality Management (effective December 15, 2025)
- SQMS No. 2, Engagement Quality Reviews (effective December 15, 2025)

**Note:** The amendments in SAS No. 143 predominantly affect AU-C Section 540. Until the effective date of December 15, 2023, the amendments to other AU-C sections will be in the Appendix C of AU-C Section 540.

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## CCH® ProSystem fx® Engagement 2020 Compatibility

This title can be installed on Engagement v2021 by first installing the Engagement v2021.2.1 Update. The latest update can be downloaded via CCH Software Delivery Manager. This update allows you to use the 2023 content without installing Engagement v2022 until your firm plans to update.

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## CCH Axxess Knowledge Coach Instructions and Information

No installation is necessary. Once released, the title will be available for use after login. See the help topic [Updating Industry Content to the Latest Version](#) for instructions about applying the updated title.

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## CCH ProSystem fx Knowledge Coach Instructions and Information

### Updating Your Title

If you are updating from a previous version of this title, review **Help > Knowledge Coach Help Topics**, then select "Updating to the Latest Version of a Workpaper" from the Table of Contents.

### Best Practices

- Save changes to workpapers before closing the workpaper or the binder to ensure data is correctly updated.
- If Microsoft® Word crashes when using Knowledge Coach, before closing the binder, use the **Save Knowledge Coach Answers** option in the binder view under the Tools menu. This saves all data within tables.
- You can view other Knowledge Coach best practices on our [Website](#).

### License Requirements

This title requires the Knowledge-Based Audits of Dealerships license. Users who do not have a license for this title cannot use Knowledge Coach functionality in workpapers.

- For information on updating your licensing, see [How do I add or update CCH ProSystem fx Engagement Licenses?](#) on our Support Website.
- For more information on assigning licenses, see [How do I assign Engagement licenses?](#) on our Support Website.

### Download and Installation Instructions

See [How do I add a new CCH ProSystem fx Knowledge Coach title to CCH ProSystem fx Engagement?](#) for instructions on installing a new Knowledge Coach title.

#### Notes:

- You must install the 2022 Financial Statement Base title before installing this title.
- This title can be installed on Engagement v2021 by installing the v2021.2.1 or later update available on Software Delivery Manager.
- On some occasions the content package file (.KCP) will download with the extension changed to .ZIP. If this occurs, change the extension of the downloaded file to KCP, using all capital letters.

We also have a utility to help you install and release your titles. See [How do I use the CCH ProSystem fx Knowledge Coach Title Install Utility?](#) for more information.