CCH Axcess™ Knowledge Coach and

CCH® ProSystem *fx*® Knowledge Coach

Welcome to 2023 Knowledge-Based Audits™ of Commercial Entities for Knowledge Coach

This bulletin provides important information about the 2023 release of Knowledge-Based Audits™ of Commercial Entities. Please review this bulletin carefully. If you have any questions, additional information is available on CCH Support Online.

Information about the Title

This title is designed to help the auditor efficiently and effectively perform financial statement audits and, when applicable, internal control audits over financial reporting of nonpublic commercial entities in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS). The 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 approach allows the auditor to focus audit efforts on the 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 nonpublic commercial entities requires the exercise of the auditor's professional judgment. Additionally, the operations of nonpublic commercial entities are often unique and complex and can require specialized accounting and auditing knowledge.

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

2023 Edition of Knowledge-Based Audits of Commercial Entities
This edition features numerous enhancements, including:

- Removing the audit area "Accounting Estimates"

- Adding new identification of Accounting Estimates by audit area in Table I of KBA-400 Scoping and Mapping of Significant Account Balances, Classes of Transactions, and Disclosures

- Any "X" in this new identification column will flow to Table III in KBA-400 just as specific risks which means the auditor should also identify each of these accounting estimates in the risk pane and select the risk as Significant and Other for identification purposes

- Each of these accounting estimates added in the risk pane will be required to have a separate risk assessment performed in KBA-502 Summary of Risk Assessments

- Updating KBA-502 Summary of Risk Assessments to separate out each assertion based on the audit area, specific risk, or significant accounting estimate per requirements of ISA 315, which require the auditor to perform risk assessments on the individual assertions for any risk or significant accounting estimate

- Updating KBA-503 Basis for Inherent Risk Assessment to comply with SASs 143 and 145; KBA-503 will now be a Foundation workpaper and will reset on rollforward

- Updating AUD-820 Audit Program: Accounting Estimates to remove the program step library and make the workpaper a multiple instance

- Updating KBA-105 Review of Significant Accounting Estimates to comply with SAS 143

- Removing flow of "Factors to Consider" from KBA-200 to KBA-101 due to duplication, please note these factors are removed from KBA-200

- Many wording changes in procedures due to SASs 142 - 145

- Enhancing instructions and procedures throughout the toolset to improve workflow based on SASs 142 - 145

CCH® ProSystem *fx*® Engagement 2022 Compatibility

This title can be installed on Engagement v2022 by first installing the Engagement v2022.2.3 Update. The latest update can be downloaded via CCH Software Delivery Manager. This update allows you to use the 2023 content without installing Engagement v2023 until your firm plans to update.

CCH Axcess 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.

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 Commercial Entities 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 2023 Financial Statement Base title before installing this title.

- This title can be installed on Engagement v2022 by installing the v2022.2.3 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.