

CCH® ProSystem fx® Knowledge Coach

Welcome to 2019 Knowledge-Based Audits™ of Employee Benefit Plans for Knowledge Coach

This Release Notes document provides important information about the 2019 release of Knowledge Based Audits™ of Employee Benefit Plans. Please review this information carefully. If you have any questions, additional information is available on CCH [Support Online](#).

New in this Release

Knowledge-Based Audits of Employee Benefit Plans

2019 Knowledge Based Audits of Employee Benefit Plans can be installed on CCH® ProSystem fx® Engagement v2017 by first installing the CCH ProSystem fx Engagement v2017.2.4 Update or later. The latest update can be downloaded [here](#). This update allows users to work on the 2018 Employee Benefit Plan title without installing ProSystem fx Engagement v2018 until your firm plans to update.

This title is designed to help the auditor efficiently and effectively perform financial statement audits of employee benefit plans 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 plan knowledge to make risk assessments in connection with a financial statement audit. This allows the auditor to more appropriately focus audit efforts on areas which the auditor judges to be the most significant and to pose the most risk of material misstatement to the financial statements.

Conducting audits of employee benefit plans requires the auditor to exercise professional judgment. Additionally, employee benefit plan operations are unique and complex, requiring specialized accounting and auditing knowledge. This edition includes specific up-to-date guidance for auditing all types of plans, including defined benefit, defined contribution, and health and welfare plans. The knowledge-based audit tools include documents, audit programs, practice aids, correspondence, and example reports.

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.

If you are updating from a previous version of this title, refer to the Knowledge Coach User Guide Chapter 12. The guide is found on the Engagement File Room Help menu.

The 2019 documents include links to CCH® Accounting Research® materials that provide specific guidance, including detailed analysis of the the steps and processes discussed in the workpapers.

2019 Edition of Knowledge-Based Audits of Employee Benefit Plans

This edition features numerous enhancements, including:

- New links to [TeamMate Analytics](#) throughout the AUD-800 series programs to assist the auditor with analytical procedures that are beneficial in the audit process.
- Enhanced instructions and procedures throughout the toolset to improve workflow.
- Reorganization of multiple areas within the Audit Programs to increase efficiency and improve workflow.

- New and reorganized columns in the workpapers documenting internal controls (KBA-400s) to improve workflow and address questions customers have raised in the past. Refer to KCO-001 for more descriptive changes and roll forward considerations.
- Enhancements to the activity-level control forms with updated subprocesses and activity-level control objectives throughout all the KBA-403 series workpapers.
- Changes to the benchmark/rule of thumb percentage table in KBA-301 Worksheet for Determination of Materiality, Performance Materiality, and Thresholds for Trivial Amounts, so users can document a separate benchmark and rule of thumb percentage not used in the KBA methodology.
- A new comments table in AUD-100 Engagement-Level Tailoring Questions to document any information you want to capture related to tailoring.
- New tips for the new proposed statements on auditing standards and new finalized FASB standards, including Omnibus Statement Auditing Standards, 2018.
- A new example planned response to Management Override of Controls in KBA-502 which flows to the AUD-800 series. This can be modified in the risk pane for the Financial Statement Level Risk of Management Override of Controls and should be modified by the user based on the specific audit.
- Removing “Net Assets” benchmark from KBA-301 Worksheet for Determination of Materiality, Performance Materiality, and Thresholds for Trivial Amounts to better align with the industry.
- Updating AID-903A Audit Report Preparation Checklist (For 11-K Filings) based on new PCAOB Auditing Standard (AS) 3101, Reports on Audited Financial Statements. Please note that this workpaper resets automatically on roll forward due to content changes.
- Adding new workpaper COR-912 Management Letter Comments – Illustration

[Click here](#) for the 2019 Audits of Employee Benefit Plans Title Overview for Knowledge Coach Users.

In addition, forms and practice aids throughout have been updated to include new examples and tips, and, where applicable, to take into account:

New literature, standards, and developments, reflected in the following current audit and accounting guidance:

- SAS-133, Auditor Involvement with Exempt Offering Documents
- AU-C 940, An Audit of Internal Control Over Financial Reporting That Is Integrated With an Audit of Financial Statements
- PCAOB Auditing Standard (AS) 3101, Reports on Audited Financial Statements
- Revised AICPA Code of Professional Conduct (Code) including ET Section 1.295, Nonattest Services
- FASB Accounting Standards Codification™ as of December 31, 2018, through Accounting Standards Update No. 2018-20

Notes:

- Make sure to save changes to workpapers before closing the workpaper or the binder to ensure data is correctly updated.
- If Knowledge Coach Microsoft® Word workpapers where you are the Current Editor become read-only or crash, please do the following:
 1. Keep the binder with the affected workpapers open.
 2. Select the workpaper in the binder window.
 3. Go to **Tools > Save Knowledge Coach Answers**.

System Requirements

- This title requires the 2018 Financial Statement Base Title. The 2018 Financial Statement Base title **must** be installed with one of the following versions of CCH® ProSystem fx® Engagement and Knowledge Coach.
 - Engagement and Knowledge Coach v2017 with CCH ProSystem fx Engagement v2017.2.4 Update or later available [here](#). To identify what version you are running, please go to the **Help > About** window within the application.
 - Engagement and Knowledge Coach v2018 or later.
- If you are upgrading from Engagement v7.1 or older please contact [Technical Support](#).
- A minimum of 4GB of RAM is required for optimal performance when opening and navigating through Knowledge Coach workpapers.

License Requirements

This title requires the Knowledge-Based Audits of Employee Benefit Plans license. Users who does 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 Web site.

For information on assigning licenses, see [How do I assign Engagement Licenses?](#) on our Web site.

Download Instructions

If you plan to use this title on Engagement and Knowledge Coach v2017, first apply the CCH ProSystem fx Engagement v2017.2.4 Update to all machines, including Admin servers and terminal servers, before installing the title. Review the Update's [release notes](#) for more information on deployment.

To download this title:

1. Navigate to the [Knowledge Coach Updates](#) section of the Engagement Support Website.
2. Select the Knowledge Coach Series. The series are arranged by title type, then industry.
3. Click **Download File** next to the title you want to download.

Note: On some occasions the content package file (.KCP) downloads with the extension changed to .ZIP. If this occurs, change the extension of the downloaded file to KCP using all capital letters.

You must install the 2018 Financial Statement Base title before installing the 2019 Knowledge Based Audits of Employee Benefit Plans.

The Financial Statement Base title is also available on the [Knowledge Coach Update Website](#).

The Knowledge Coach Content Package (KCP) download is a proprietary file that must be installed from within Engagement. Save this KCP file to a location on your local drive, and follow the Installation Instructions below.

Installation Instructions

Once you have downloaded your Knowledge Coach title, add it to the list of titles within CCH ProSystem fx Engagement. The only additional system requirement is that you have approximately 75MB of disk space to store your Knowledge Coach Program content files. Please refer to the Engagement with Knowledge Coach Release Notes for any other system requirements.

After downloading the 2019 Knowledge Based Audits of Employee Benefit Plans, do the following:

1. Launch the Engagement Workpaper Management application so that the Local File Room displays.
2. Select **Tools > Knowledge Coach Titles**. The *Knowledge Coach Titles* window displays.
3. Select **Add Title**.
4. Browse to the title package file (*.KCP) that you previously downloaded from the Knowledge Coach Support Web site.
5. Select **Open**. The system displays a progress indicator while the title package is being added. You will receive a message that the title has been successfully installed once the process is complete.

To release a title:

1. Select one of the Knowledge Coach titles in the list that has been added but is not yet released.
2. Choose **Release Title**. The current date and time displays in the Date released column, and the status changes to "Released."

Note: In the Engagement Admin module, add and assign a Knowledge Coach module and the applicable Knowledge Coach title license to staff before using the workpapers.

Important: Once the 2019 Knowledge-Based Audits of Employee Benefit Plans title has been added and released, they will automatically deploy to other staff members when the staff members log in to the "Office" location or when they synchronize a binder that contains Knowledge Coach workpapers from this title.

Online Permission Key

Permission key files may be downloaded from our [Web site](#) or when adding or updating the new licenses in CCH ProSystem fx Engagement v2017 and higher. After updating the license file in the Engagement Admin module, licenses need to be assigned to the staff who will use 2019 Knowledge-Based Audits of Employee Benefit Plans.

If you have not already established a Single Sign-on (SSO) account with Customer Service, we urge you to do so at this time.

CCH® Accounting Research Manager®

CCH Accounting Research Manager ("ARM") is the most comprehensive, up-to-date, and objective online database of financial reporting literature. It includes all authoritative and proposed accounting, auditing, and SEC literature, plus independent, expert-written interpretive guidance.

Available on ARM, the Knowledge-Based Audits of Employee Benefit Plans Guide helps you comply with the most recent professional standards and guidance for the conduct of audits of Employee Benefit Plans and to integrate the use of practice aids, tools, and other resources with its guidance. This publication supplements and complements the Knowledge-Based documents that are available in Knowledge Coach.

If you subscribe to an ARM library that includes Employee Benefit Plans content, you can link directly to source material from Resources in Knowledge Coach documents. These links have been updated to refer to the accounting standards under the FASB Accounting Standards Codifications. Also, if you subscribe to the Knowledge-Based Audits of Employee Benefit Plans Guide on ARM, you can take advantage of references to the guide material from within the Knowledge Coach documents.

With Accounting Research Manager, you maximize the efficiency of your research time, while enhancing your results. Learn more about our content, our experts, and how you can request your free trial by visiting the [Accounting Research Manager Web site](#). You can also access the Accounting Research Manager Web site by selecting **Engagement > Binder Window > Shortcuts Bar > Guidance tab**.

Using Your Knowledge Coach Content

To use your Knowledge Coach Workpaper Templates, do the following:

1. Open a binder in Engagement.
2. Select the workpaper tab into which you would like to insert the workpaper.
3. Select **New Knowledge Coach Workpaper** from the toolbar or File menu. The *New Knowledge Coach Workpaper* window displays.
4. Select the new Knowledge Coach title with the content you would like to use. You can only select titles you have installed. The information displayed changes to reflect the workpaper organization available for the selected title.
5. Select the Knowledge Coach workpapers to insert into your binder, and then click **OK**.
6. In the *Selected Workpaper Properties* window, each workpaper name is automatically loaded into the Name field. Add a workpaper index in the Index field and make any needed Name modifications. You can also modify the tab location or the roll forward settings for each workpaper.
7. Click **OK**. The integrated Knowledge Coach workpaper is now inserted into your engagement binder.

Note: For more information on how to use Knowledge Coach workpapers in your binder, see the Knowledge Coach User Guide.

Additional Information on Knowledge Coach and the KBA Methodology

Knowledge-Based Audit (KBA) Methodology

This methodology allows the results of one set of procedures to become the input for the next. The key components of the KBA methodology include:

- An Overview that guides auditors through the methodology.
- Knowledge-Based Audit documents, integral to the risk assessment and overall audit processes, which contain steps and procedures required by U.S. GAAS.
- Customizable Audit Programs that take auditors through related steps and procedures.
- Practice Aids to help auditors complete steps or processes outlined in the Knowledge-Based Audit documents and Audit Programs.
- Auditor's Reports that provide a variety of sample auditor's opinions on audited financial statements.
- Correspondence documents that provide sample letters to be used to comply with U.S. GAAS requirements and in many other common situations.
- AICPA's Auditing Standards Board's (ASB) Risk Assessment Standards - The practice aids and tools in the 2018 Knowledge-Based Audits of Employee Benefit Plans are designed around the AICPA's risk assessment and clarified standards to assist auditors of employee benefit plans by:
 - Facilitating compliance with GAAS and GAGA.
 - Encouraging more effective audits through tailored audit programs and comprehensive practice aids.
 - Helping auditors to focus on and respond to identified audit risks.
 - Enhancing audit documentation.

CCH® ProSystem fx® Knowledge Coach

Knowledge Coach functionality allows auditors to use the Knowledge-Based-Audit methodology more efficiently by eliminating the need for duplicate entry of the same information, tailoring audit documentation to each particular engagement, and documenting the link between risks identified and procedures performed. AUD-100 Tailoring Question is a document in Knowledge Coach that presents engagement-level questions to aid in tailoring the engagement documentation for each client. Completing the questions helps the auditor avoid duplication and unnecessary workpapers.

Note: Before you begin your audit, please review the guidance in AUD-101 Overall Audit Program. This workpaper is intended to be your road map through a Knowledge-Based Audit methodology. You should start your audit with AUD-100 Tailoring Question Workpaper and AUD-101 Overall Audit Program.

- **Risks**
Can be captured via the Risk Summary task pane from any Knowledge Coach workpaper by the current editor of KBA-502 Summary of Risk Assessments. This allows the user to continuously assess risks during the engagement. Several workpapers prompt the consideration of the presence of risks, but the Risk Summary task pane must be used to document those risks. All documented risks flow to the Risk Summary. To ensure risks show in findings tables, check the “workpaper identified in” field of the Risk pane.
- **Information Flow**
Helps reduce the time spent duplicating information across forms. In addition, the flow of consistent information ensures that information and updates to information are not missed between workpapers. Drill-down functionality helps the user navigate quickly to the source of the information, aiding in the review of the audit file.
- **Diagnostics**
Help keep track of unresolved issues like unanswered questions, incomplete risks, program steps not linked to risks or relevant assertions, missing workpapers, and more.
- **Links to Accounting Research Manager (ARM)**
If you subscribe to an ARM library that includes audit content, you can link directly to source material from Resources within Knowledge Coach workpapers. These links have been updated to reference the accounting standards under the FASB Accounting Standards Codifications and the auditing standards issued by the AICPA. Also, if you subscribe to the Knowledge-Based Audits of Employee Benefit Plans Guide on ARM, you can take advantage of links to the audit guide material from within the Knowledge Coach documents.
- **Interpretive Guidance**
Is integrated into each Knowledge Coach template through the Tips view of each new task pane. Informational features include Practice Points, Examples, Optional Workpapers, and Resources to help auditors work more effectively and efficiently. You can also navigate from Resources within a document or the tip pane directly to CCH’s Accounting Research Manager and industry audit guides by simply clicking on the Reference.

Download Description:	2019 Knowledge-Based Audits of Employee Benefit Plans
Version:	Engagement and Knowledge Coach v2017 with CCH ProSystem fx Engagement v2017.2.4 Update or newer OR Engagement and Knowledge Coach v2018 or newer 2018 Financial Statement Base
Release Date:	March 2019
File size:	18MB
Approx. Download Time:	42 minutes at 56 kbps
License:	Full Version
Platforms:	Windows® 7, Windows® 8.1, Windows® 10
Office:	Microsoft® Office 2013 or newer required