

2023 Knowledge Based Audits™ of HUD Multifamily Housing Programs  
March 2024

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

## Welcome to 2023 Knowledge-Based Audits™ of HUD Multifamily Housing Programs for Knowledge Coach

This bulletin provides important information about the 2023 release of Knowledge-Based Audits™ of HUD Multifamily Housing Programs. Please review this bulletin carefully. If you have any questions, additional information is available on CCH [Support Online](#).

### Information about the Title

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This title is designed to help the auditor efficiently and effectively perform audits of housing and urban development programs in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS), Government Auditing Standards (GAGAS), and the Consolidated Audit Guide to Audits of HUD Programs, published by the U.S. Department of Housing and Urban Development (HUD Audit Guide). The Knowledge-Based Audit methodology is also designed to help the auditor efficiently and effectively perform cost certification audits in accordance with attestation standards generally accepted in the United States of America, GAGAS, and the HUD Audit Guide. HUD audits include both an audit of the financial statements and a compliance audit. The knowledge-based audit, including the compliance audit, is a risk-based methodology that emphasizes using knowledge of the entity to make risk assessments in connection with the financial statement and compliance audit of a HUD program. 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 to the audit. The administration of HUD programs includes both financial statement and compliance considerations and requires specialized accounting and auditing knowledge. This module includes up-to-date guidance for audits of programs identified under Chapter 3, HUD Multifamily Housing Programs.

Conducting audits of HUD programs requires the exercise of the auditor's professional judgment and knowledge of the requirements of the HUD Audit Guide. This document is published for the purpose of communicating, to users of the toolset, updates and enhancements included in the current version. 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 HUD Audit Guide and Knowledge-Based Audits of Housing and Urban Development Programs are applicable to for-profit entities. Government and not-for-profit entities also participate in some of the HUD programs covered in the HUD Audit Guide. These entities are subject to the audit requirements of 2CFR200, the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, (the Uniform Guidance). Auditors performing audits of such government or nonprofit organizations should refer to the forms and aids at Knowledge-Based Audit Methodology: Single Audits.

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.

Note: The HUD Financial Statements title was released on February 8, 2024. This release will include the HUD Compliance title.

## New in this Release

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### 2023 Edition of Knowledge-Based Audits of HUD Multifamily Housing Programs

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 Accounting Estimate" 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
- 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
- The “Link to Risk” column in the Audit Programs will reset all “Specific Risk” and “Other Relevant Assertion” selections from the prior binder. All specific risks and assertions related to the audit area will now need to be linked individually
- Updating AUD-820 Audit Program: Accounting Estimates to remove the program step library and make the workpaper a multiple instance. The prior version of this workpaper will be obsolete and will need to be deleted by the user.
- Updating KBA-105 Review of Significant Accounting Estimates to comply with SAS 143
  - This workpaper is a foundation workpaper and must be inserted after rolling forward. The prior version of this workpaper will be obsolete and will need to be deleted by the user.
- 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

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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 Axxess Knowledge Coach Instructions and Information

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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

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### 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 HUD Multifamily Housing Programs 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 Web site.
- For more information on assigning licenses, see [How do I assign Engagement licenses?](#) on our Support Web site.

### 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.