

CCH® ProSystem fx® Knowledge Coach

Welcome to 2021 Knowledge-Based Audits™ of International Entities for Knowledge Coach

This bulletin provides important information about the 2021 release of Knowledge Based Audits™ of International 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 of international commercial entities in accordance with International Standards on Auditing (ISAs) promulgated by the International Auditing and Assurance Standards Board (IAASB). 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 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 international entities requires the exercise of the auditor's professional judgment. Additionally, the operations of international entities are often unique and complex and may require specialized accounting and auditing knowledge. This edition includes specific up-to-date guidance for auditing international commercial 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.

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 2021 documents include CCH® Accounting Research® material links to specific guidance that provide instant access to detailed analysis related to the steps and processes discussed in the workpapers.

Caution! This toolset does not include all audit requirements included in U.S. Generally Accepted Auditing Standards (U.S. GAAS). Engagements that are required to be performed under both ISAs and U.S. GAAS should also refer to the Knowledge-Based Audits of Commercial Entities for requirements under U. S. GAAS. An AICPA member conducting an audit in accordance with the ISAs must also comply with U.S. GAAS.

New in this Release

CCH® ProSystem fx® Engagement 2019 Compatibility

This title can be installed on Engagement v2019 by first installing the Engagement v2019.2.6 Update. The latest update can be downloaded via CCH Software Delivery Manager. This update allows you to use the 2021 content without installing Engagement v2020 until your firm plans to update.

2021 Edition of Knowledge-Based Audits of International Entities

This edition features numerous enhancements, including:

- Adding sorting to the "Communication of Internal Control Deficiencies" table in KBA-103. The flow of deficiencies to this table is now automatically sorted based on the text in the Deficiency No. column in the first table.
- Modifying the answer floatie in the conclusion section of KBA-303 from "No" to "No Inconsistencies Noted."
- Adding a new table and adding columns to the prior table in KBA-503 for relevant assertions and inherent risk assessment that flow from KBA-502. Also changing the functionality so that the user selects which audit areas to flow from KBA-502. The user must answer the new tailoring question in AUD-100 to note if they are an early adopter of ISA 315 (Revised 2019).
- Modifying the header in the second column of "Section I: Risk Assessment Procedures and Related Activities" to now read, "Does the Factor Exist Yes/No" to avoid confusion about how this column should be documented.
- Removing colons from workpaper names so that the user may publish or save forms outside of engagement without receiving the error message for an invalid character.
- Enhancing instructions and procedures throughout the toolset to improve workflow.
- Adding new AID and RES forms as follows:
 - AID-847 Analysis of Service Auditor Report
 - RES-029 Implementing New Accounting Principles

[Click here](#) for the 2021 Audits of International Entities 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 incorporate new literature, standards, and developments reflected in the following current audit and accounting guidance:

- ISA 315 (Revised 2019), Identifying and Assessing the Risks of Material Misstatement
- ISA 540 (Revised), Auditing Accounting Estimates and Related Disclosures

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 step saves all data within the tables.
- You can view other Knowledge Coach best practices on our [Web site](#).

License Requirements

This title requires the Knowledge-Based Audits of International Entities license. Users who do not have a license for this title can not 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 2020 Financial Statement Base title before installing this title.
- This title can be installed on Engagement v2019 by installing the v2019.2.6 or later update available on Software Delivery Manager.
- On some occasions the content package file (KCP) downloads with the file name 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.

Using Your Knowledge Coach Content with 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 International Entities Guide helps you comply with the most recent professional standards and guidance for conducting audits of International Entities. It integrates 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 International content, you can link directly to source material from Resources within 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 International Entities Guide on ARM, you can take advantage of references to the guide material from within the Knowledge Coach documents.

With ARM, 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 [ARM Web site](#). You can also access the ARM Web site by selecting **Engagement > Binder Window > Shortcuts Bar > Guidance tab**.