

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

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

This bulletin provides important information about the 2023 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

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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 focus audit efforts more appropriately 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 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.

The 2022 title includes CCH® Accounting Research® material links to specific guidance, providing 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.

**Note:** Accounting Estimates is no longer an audit area. The auditor will identify which audit areas have "Significant Accounting Estimates" in KBA-400 Scoping and Mapping Table. If the user identifies any of the audit areas with accounting estimates these should be added to the risk pane and the user should select "significant" and "other" as the risk unless this estimate. In the 2023 International Title there will NOT be a Significant Accounting Estimate line in the risk pane so by selecting both "significant" and "other" this will help identify these for the user. These accounting estimate risk(s) will flow to Table 3 in KBA-400 and to KBA-502 where they will need an individual risk assessment performed. The auditor should also add each of these accounting estimates to KBA-105 (these will flow into KBA-105 in International 2024 title) and should use AUD-820 for each individual accounting estimate. AUD-820 Accounting Estimates will no longer act like a regular Audit Program, there will be no library as most procedures are relevant to each accounting estimate unless hidden based on the Tailoring Questions provided.

## New in this Release

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### 2023 Edition of Knowledge-Based Audits of International 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 AUD-820 Audit Program: Accounting Estimates to remove the program step library and make the workpaper a multiple instance
- Removing flow of "Factors to Consider" from KBA-200 to KBA-101 due to duplication, please note these factors are removed from KBA-200
- Updating KBA-105 Review of Significant Accounting Estimates to comply with ISA 540
- 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 ISAs No. 540, 315, and 220
- Enhancing instructions and procedures throughout the toolset to improve the workflow based on ISAs No. 540, 315, and 220

[Click here](#) for the 2023 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 take into account 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
- ISA 220 (Revised), Quality Management for an Audit of Financial Statements

This toolset also incorporates engagement-level requirements of:

- ISQM 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements
- ISQM 2, Engagement Quality Reviews

## CCH® ProSystem fx® Engagement 2020 Compatibility

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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.

## 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 International 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 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 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.