

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

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

This bulletin provides important information about the 2023 release of Knowledge-Based Audits™ of Real Estate 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, audits of internal control over financial reporting, of nonpublic real estate entities in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS) and, when applicable, generally accepted government auditing standards (GAGAS). 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 those areas which in the auditor's judgment are the most significant and pose the greatest risk of material misstatement to the financial statements.

Conducting audits of nonpublic real estate entities requires the exercise of the auditor's professional judgment. Additionally, the operations of nonpublic real estate entities are often unique and complex and may require specialized accounting and auditing knowledge. This edition includes specific, up-to-date guidance for auditing nonpublic real estate 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 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 Real Estate 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 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

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

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 Real Estate 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.