

# CCH<sup>®</sup> ProSystem *fx*<sup>®</sup> Knowledge Coach

## Welcome to 2020 Knowledge-Based™ Nontraditional Engagements for Knowledge Coach

This document provides important information about the 2020 release of Knowledge Based Nontraditional Engagements. Review this information carefully. If you have any questions, additional information is available on CCH [Support Online](#).

### New in this Release

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#### Knowledge-Based Nontraditional Engagements

This title can be installed on CCH<sup>®</sup> ProSystem *fx*<sup>®</sup> Engagement v2018 by first installing the CCH ProSystem *fx* Engagement v2018.2.4 Update for Knowledge Coach. The latest update can be downloaded [here](#). This update allows you to use the 2020 content without installing Engagement v2019 until your firm plans to update.

This title is designed to help the auditor efficiently and effectively perform attestation and consulting engagements in accordance with applicable standards issued by the American Institute of Certified Public Accountants (AICPA), including Statement on Standards for Attestation Engagements (SSAEs) and Statements on Standards for Consulting Services (SSCS) (CS Section 100). The Knowledge-Based Methodology for nontraditional engagements is a risk-based methodology conducting nontraditional engagements. It emphasizes using knowledge of the entity, subject matter, and suitable criteria to perform procedures, and, when applicable, make risk assessments and recommendations in connection with an engagement.

Nontraditional engagements are often unique and complex, requiring specialized accounting and attestation knowledge. Conducting nontraditional engagements requires the exercise of the practitioner's professional judgment. This edition includes specific up-to-date guidance for nontraditional engagements and is published for the purpose of communicating updates and enhancements included in the current version to users of the toolset. This document is not, and should not be used as, an engagement program to update the documentation of an engagement started in a previous version of this product.

The methodology is presented in terms of its application for attestation engagements including:

- Attestation Engagements
  - Examination-Level (General)
  - Review-Level (General)
- Agreed-Upon Procedures Engagements (General)
- Prospective Financial Statements
  - Examination-Level Engagements
  - Review-Level Engagements
- Management's Discussion and Analysis
  - Examination-Level Engagements
  - Review-Level Engagements
- Sustainability Information
  - Examination-Level Engagements
  - Review-Level Engagements
- Cybersecurity Risk Management Program
  - Examination-Level Engagements

- Pro Forma Financial Information
  - Examination-Level Engagements
  - Review-Level Engagements
- Entity's Compliance with Specified Requirements or the Responsible Party's Written Assertion
  - Examination-Level Engagements
  - Review-Level Engagements
- Due Diligence Engagements
  - Consulting Engagements
- Risk Assessment Engagements
  - Consulting Engagements
- ElderCare Services Engagements
  - Consulting Engagements

The forms and practice aids in the knowledge-based methodology will help the practitioner to perform the procedures necessary to complete the engagement in accordance with professional standards. The Knowledge-Based tools include documents, attestation programs, practice aids, correspondence, and example reports.

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 2020 documents include CCH® Accounting Research® material links to specific guidance that provides instant access to detailed analysis related to the steps and processes discussed in the workpapers.

### 2020 Edition of Knowledge-Based Nontraditional Engagements

This edition features numerous enhancements, including:

- Combining ATT-401 Understanding Entity-Level Controls: Complex and ATT-401N Understanding Entity-Level Controls: Non-Complex giving the practitioner the option to memo or complete the detailed table for each section based on tailoring.

**Roll Forward Note:** If you have used the noncomplex document in your prior engagement, before rolling that file forward, you must add the complex document to your engagement binder to retain the data from the noncomplex document, and then remove this workpaper from the prior year binder after you have rolled the binder forward.

If your binder has already been finalized and you don't want to unfinalize the binder to insert the complex document before you roll forward from the 2019 version, make a copy of your finalized binder, insert the applicable complex document, then roll forward the copied binder to the 2020 title version. After roll forward, remember to delete the copied prior year binder from your file room. Doing this will retain the data in the 2020 combined version.

Alternatively, copy and paste the data from the prior year noncomplex document from the prior year binder after you roll forward into the current combined versions. The noncomplex document will roll forward as an obsolete workpaper with no data, and should be removed after you have rolled forward your binder. Refer to your prior year binder for data in the noncomplex document.

For the "update knowledge coach content" option, you should insert the complex version of the workpaper prior to updating to retain information from the now obsolete noncomplex version. We recommend that you publish the noncomplex version prior to using the "update knowledge coach content" option so that the user has access to the data. After updating, the noncomplex version will be obsolete.

By performing an option above, the Relevant Principle tables and Section IV: Conclusion will retain from the noncomplex document into the new combined document. This will work the same as the Commercial KBA-401 workpaper.

- Adding flow of columns "Nature of Other Services" and "Firm Personnel Overseeing the Service" from AID-101 Overall Examination Engagement Strategy to AID-201 Nonattest Services Independence Checklist in the Examination and Review Titles.
- Adding one new column (If Controls are Not Effectively Designed and Implemented or Are Not Operating Effectively, Describe the Risks of Material Misstatement) in ATT-402 Understanding General Controls for Information Technology in the "less complex" table in the Examination Title.

- Adding new subprocesses in ATT-403 Understanding Activity-Level Controls: Revenue, Accounts Receivable, and Cash Receipts related to ASC Topic 606 in the Examination Title.
- Adding new tailoring question in ATT-100 Engagement-Level Tailoring Questions in the Examination Title. See KCO-003 Answer Effects for the Engagement Level Tailoring Questions Workpaper for explanation of the functioning of this new tailoring question: Is the engagement for the period ending on or after June 30, 2020?
- Adding two new tailoring questions in ATT-100 Engagement-Level Tailoring Questions in the Agreed-Up Procedures Title. See KCO-003 Answer Effects for the Engagement Level Tailoring Questions Workpaper for explanation of the functioning of these new tailoring questions:
  - Is the engagement for the period ending on or after June 30, 2020?
  - Is the engagement performed AFTER implementation of SSAE-19, Agreed-Up Procedures Engagements?
- Enhancing instructions, practice points, and procedures throughout the toolset to improve workflow.

[Click here](#) for the 2020 Nontraditional Engagements 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:

- AICPA Auditing Standards Board (ASB) Statements on Standards for Attestation Engagements (SSAE) No. 20, Attestation Standards: Amendments to the Description of the Concept of Materiality
- 2018 Revision of Government Auditing Standards (GAGAS, or the Yellow Book, effective for attestation engagements for periods ending on or after June 30, 2020)
- QC Section 10, A Firm's System of Quality Control
- The revised AICPA Code of Professional Conduct (Code), including the provisions of ET Section 1.295, Nonattest Services

#### Important:

- Save changes to workpapers before closing the workpaper or the binder to ensure data updates correctly.
- 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 [Web site](#).

## System Requirements

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This title requires the 2019 Financial Statement Base Title. The 2019 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 v2018 with CCH ProSystem fx Engagement v2018.2.4 Update or later available [here](#). To identify the version you are running, please go to Help > About in the application.
- Engagement and Knowledge Coach v2019 or newer.

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 Knowledge Coach workpapers.

## License Requirements

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This title requires the Knowledge-Based Nontraditional Engagements 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 Instructions

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If you plan to use this title on Engagement and Knowledge Coach v2018, apply the CCH ProSystem fx Engagement v2018.2.4 Update to all computers, including Admin and terminal servers, before installing the title. Review the update's [release notes](#) for more deployment information.

To download this title:

1. Navigate to the [Knowledge Coach Updates](#) section of the Engagement Support Web site.
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:** Occasionally 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.

You must install the 2019 Financial Statement Base title before installing the 2020 Knowledge Based Nontraditional Engagements.

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

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

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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.

## Using Your Knowledge Coach Content with CCH® Accounting Research Manager®

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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, attestation, and SEC literature, plus independent, expert-written interpretive guidance.

Available on ARM, the Knowledge-Based Nontraditional Engagements Guide helps you comply with the most recent professional standards and guidance for the conduct of Nontraditional Engagements 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 Nontraditional Engagements 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 Nontraditional Engagements 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

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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.
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 click **OK**.
6. In the Selected Workpaper Properties window, add a workpaper index in the Index field and make any Name modifications that are needed. 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

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**Knowledge-Based Audit (KBA) 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 practitioners through the methodology
- Knowledge-based attestation documents, integral to risk assessment and attestation processes, which contain steps and procedures required by professional standards
- Customizable engagement programs that take practitioners through related steps and procedures
- Practice aids to help practitioner's complete steps or processes outlined in the knowledge-based attestation documents and attestation programs
- Practitioner's reports that provide a variety of sample practitioner's opinions on nontraditional engagements
- Correspondence documents that provide sample letters to be used to comply with professional standards, SSAE, and SSCS requirements and in other common situations

### **CCH® ProSystem fx® Knowledge Coach**

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

**Note:** Before you begin your engagement, review the guidance in ATT-101 through ATT-116 Overall Attestation Programs. This workpaper is your road map through a Knowledge-Based Audit methodology. Start your engagement with ATT-100 Tailoring Question Workpaper and ATT-101 through ATT-116 Overall Attestation Programs.

- **Risks** can be captured via the Risk Summary task pane from any Knowledge Coach workpaper by the current editor of KBA-501 Summary of Risk Assessments. This allows you to continuously assess risks during the engagement. Several workpapers prompt you to consider 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, select 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 engagement file.
- **Diagnostics** help track 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 attestation content, you can link directly to source material from Resources in Knowledge Coach workpapers. These links have been updated to reference the accounting standards under the FASB Accounting Standards Codifications and the attestation standards issued by the AICPA. Also, if you subscribe to the Knowledge-Based Nontraditional Engagements Guide on ARM, you can take advantage of links to the attestation guide material from within the Knowledge Coach documents.
- **Interpretive Guidance** is integrated in 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 practitioners work more effectively and efficiently. You can also navigate from Resources in a document or the tip pane directly to CCH Accounting Research Manager and industry attestation guides by clicking on the reference.

<b>Download Description</b>	2020 Knowledge-Based Nontraditional Engagements
<b>Version</b>	Engagement and Knowledge Coach v2018 with CCH ProSystem fx Engagement v2018.2.4 Update or later OR Engagement and Knowledge Coach v2019 or later 2019 Financial Statement Base
<b>Release Date</b>	April 2020
<b>File size</b>	18MB
<b>Approx. Download Time</b>	42 minutes at 56 kbps
<b>License</b>	Full Version
<b>Platforms</b>	Microsoft® Windows® 8.1, Microsoft® Windows® 10
<b>Office</b>	Microsoft® Office 2013 or higher required