

CCH[®] ProSystem *fx*[®] Knowledge Coach

Welcome to 2019 Knowledge-Based Examinations of Service Organizations for Knowledge Coach

This Release Notes document provides important information about the 2019 release of Knowledge Based Examinations of Service Organizations. Please review this information carefully. If you have any questions, additional information is available on CCH [Support Online](#).

New in this Release

Knowledge-Based™ Examinations of Service Organizations

2019 Knowledge Based Examinations of Service Organizations can be installed on CCH[®] ProSystem *fx*[®] Engagement v2017 by first installing the CCH ProSystem *fx* Engagement v2017.2.4 Update or later. The latest update can be downloaded [here](#). This update will allow users to work on the 2018 Service Organizations title without installing ProSystem *fx* Engagement v2018 until your firm plans to update.

This title is designed to help the practitioner efficiently and effectively conduct examination engagements of service organizations in accordance with applicable standards issued by the American Institute of Certified Public Accountants (AICPA). The knowledge-based methodology for service organization engagements is a risk-based methodology for conducting examination engagements of service organizations. It emphasizes using knowledge of the entity, subject matter, and criteria to make the risk assessments and recommendations in connection with an engagement. The more accurately a practitioner assesses risks of material misstatement or deviation, the more assurance the practitioner has that the procedures performed in response to the risk assessments will detect material misstatements or deviations.

Examination of Service Organizations are often unique and complex, and require specialized accounting, and attestation knowledge. Conducting Examination of Service Organizations requires the exercise of the practitioner's professional judgment. This edition includes specific up-to-date guidance for Examination of Service Organizations and 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 engagement program to update the documentation of an engagement started in a previous version of this product.

The forms and practice aids in the knowledge-based methodology will help the practitioner 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.

Although the KBA approach provides a framework for applying attestation standards, it is not a substitute for knowledge of professional standards and the exercise of the practitioner's professional judgment and professional skepticism. The practitioner may need to refer to additional resources to determine how to apply the applicable standards to unfamiliar or unique circumstances.

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 2019 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.

2019 Edition of Knowledge-Based Examinations of Service Organizations

This edition features numerous enhancements, including:

- New and reorganized columns in the workpapers documenting internal controls (ATT-401 and ATT-402) to improve workflow and address questions customers have raised in the past. Refer to KCO-001 for more descriptive changes and roll forward considerations.
- A new comments table in AUD-100 Engagement-Level Tailoring Questions to document any information you want to capture related to tailoring.
- A new table in KBA-501, under Section 2, to allow user in SOC 2 and SOC 3 engagements to document risks by TSP/COSO categories. Please note that risks identified in other workpapers will flow to Table 1. For SOC 1 engagements, the auditor should add additional risks in Table 1. For SOC 2 and SOC 3 engagements, the auditor should add additional risks by TSP/COSO category in Table 2.
 - Table 1 will always be shown no matter the type of engagement
 - Table 2 will only show for SOC 2 and SOC 3 Engagements
- Many new documents in this title as follows:
 - AID-703 Trust Services Criteria for Security, Availability, Processing Integrity, Confidentiality, and Privacy Description of Test of Controls and Results Thereof
 - AID-916 Report Preparation Checklist: Engagement to Report on a Service Organization’s Controls (SOC 3)
 - COR-212 Engagement Letter: Engagement to Report on Controls at a Service Organization Relevant to Security, Availability, Processing Integrity, Confidentiality, or Privacy (SOC 3)
 - COR-921 Representation Letter – SOC 3 Engagements
 - RES-008 Criteria for Evaluating the Fairness of the Presentation of the Description (Description Criteria) DC Section 200A Provides 2015 Description Criteria – DC Section 200A.
 - RES-009 Description Criteria for a Description of a Service Organization’s System in a SOC 2 Examination and Related Implementation Guidance DC Section 200 Provides 2018 Description Criteria – DC Section 200.
 - RES-013 Service Auditor's Engagement (SOC 1): Illustrative Subservice Organization Management Assertions for a Type 2 Report
 - RES-017 Service Auditor’s Engagement (SOC 2): Illustrative Subservice Organization Management Assertions for a Type 2 Report Provides an illustrative example of a SOC 2 Subservice Organization Management Assertion when the Inclusive Method is used.
 - RES-020 Illustrative Comparison of a SOC 2 Examination and Related Report With the Cybersecurity Risk Management Examination and Related Report
 - RES-021 SOC 2 Sample Reporting Package - Illustration Only
 - RPT-1055 Service Auditor’s Engagement (SOC 2): Unmodified Opinion on a Description of Cloud Service Organization
 - RPT-1056 Service Auditor’s Engagement (SOC 2): Unmodified Opinion on a Health Care Organization
 - RPT-1060 Service Auditor's Engagement (SOC 2): Unmodified Opinion on a Description of a Service Organization's System and the Suitability of the Design and Operating Effectiveness of Controls Relevant to Security, Availability, Processing Integrity, Confidentiality, and Privacy When Reporting Under AT-C Section 205 and ISAE 3000 (Revised)

[Click here](#) for the 2019 Examination of Service Organizations 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 (SSAEs), Attestation Standards: Clarification and Recodification (SSAE No. 18)
- 2011 Revision of Government Auditing Standards (GAGAS, or the Yellow Book; 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
- AICPA AAG, Reporting on Controls at a Service Organization Relevant to Security, Availability, Processing Integrity, Confidentiality, or Privacy (SOC 2) – Revised 2018, 2017 Trust Services Criteria, and DC Section 200 – 2018 Description Criteria

Important Notes:

- Make sure to save changes to workpapers before closing the workpaper or the binder to ensure data is correctly updated.
- If your Current Editor Knowledge Coach Microsoft® Word workpapers become read-only or crash, please do the following:
 - Keep the binder with the affected workpapers open.
 - Highlight the workpaper in the binder window and go to **Tools > Save Knowledge Coach Answers**.

System Requirements

- This title requires the 2018 Financial Statement Base Title. The 2018 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 v2017 with CCH ProSystem fx Engagement v2017.2.4 Update or later available [here](#). To identify what version you are running, please go to the **Help > About** window within the application.
 - Engagement and Knowledge Coach v2018 or later.
- If you are upgrading from Engagement v7.1 or lower please contact [Technical Support](#).
- A minimum of 4GB of RAM is required for optimal performance when opening and navigating through Knowledge Coach workpapers.

License Requirements

This title requires the Knowledge-Based SOC Engagement license.

Any user that does not have a license for this title will not be able to use Knowledge Coach functionality in workpapers.

For more information on how to update your licensing, view [How do I add or update CCH ProSystem fx Engagement Licenses?](#) on our website.

For more information on how to assign licenses, view [How do I assign Engagement Licenses?](#) on our website.

Download Instructions

If you are planning to use this title on Engagement and Knowledge Coach v2017, ensure you apply the CCH ProSystem fx Engagement v2017.2.4 Update to all machines including Admin servers and terminal servers before installing the title. Review the Update's [release notes](#) for more information on deployment.

To download this title:

1. Navigate to the [Knowledge Coach Updates](#) section of the Engagement Support Website.
2. Select the Knowledge Coach Series. The series are arranged by title type, then industry.
3. Click on the **Download File** link next to the title you want to download.

Note: On some occasions, the content package file (.KCP) will download with the extension changed to ZIP. If this occurs, please change the extension of the downloaded file to KCP using all capital letters.

You must install the 2018 Financial Statement Base title before installing the 2019 Knowledge Based Examination of Service Organizations.

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

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

Once you have downloaded your Knowledge Coach title, you will need to add it to the list of titles within CCH ProSystem fx Engagement. The only additional system requirement is approximately 75MB of disk space to store your Knowledge Coach Program content files. Please refer to the Engagement with Knowledge Coach Release Notes for any other system requirements.

After downloading the 2019 Knowledge Based Examination of Service Organizations, do the following:

1. Launch the Engagement Workpaper Management application so that the Local File Room is displayed.
2. Select **Tools > Knowledge Coach Titles**.
3. The *Knowledge Coach Titles* window will be displayed.
4. Click **Add Title**.
5. Browse to the title package file (*.KCP) that you previously downloaded from the Knowledge Coach Supportwebsite.
6. Click **Open**.

The system will display a progress indicator while the title package is added. You will receive a message that the title has been successfully installed once the process is complete.

To release a title:

1. Select one of the Knowledge Coach titles in the list that has been added, but is not yet released.
2. Click **Release Title**. The current date and time will be displayed in the Date released column, and the status will change to "Released."

Note: In the Engagement Admin module, add and assign a Knowledge Coach module and the applicable Knowledge Coach title license to staff before using the workpapers.

Important: Once the 2019 Knowledge-Based Examination of Service Organizations title has been added and released, they will be automatically deployed to other staff members when they log in to the “Office” location, or when they synchronize a binder that contains Knowledge Coach workpapers from this title.

Online Permission Key

Permission key files may be downloaded from our [website](#) or when adding or updating the new licenses within CCH ProSystem fx Engagement v2017 and higher. After updating the license file in the Engagement Admin module, licenses need to be assigned to the staff who will use 2019 Knowledge-Based Examinations of Service Organizations.

If you have not already established a Single Sign-on (SSO) account with Customer Service, we urge you to do so at this time.

CCH® Accounting Research Manager®

CCH’s 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 Examination of Service Organizations Guide helps you comply with the most recent professional standards and guidance for the conduct of Examination of Service Organizations 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 Examination of Service Organizations 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 Examination of Service Organizations 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](#). You can also access the Accounting Research Manager website by selecting **Engagement > Binder Window > Shortcuts Bar > Guidance tab**.

Using Your Knowledge Coach Content

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. The *New Knowledge Coach Workpaper* dialog appears (Figure 1).
5. 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.
6. Select the **Knowledge Coach Workpapers** to insert into your binder and click **OK**.
7. In the *Selected Workpaper Properties* dialog, each workpaper name is automatically loaded into the Name field. Add a **workpaper index** in the Index field and make any Name modifications you desire. You can also modify the tab location or the roll forward settings for each workpaper.
8. 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.

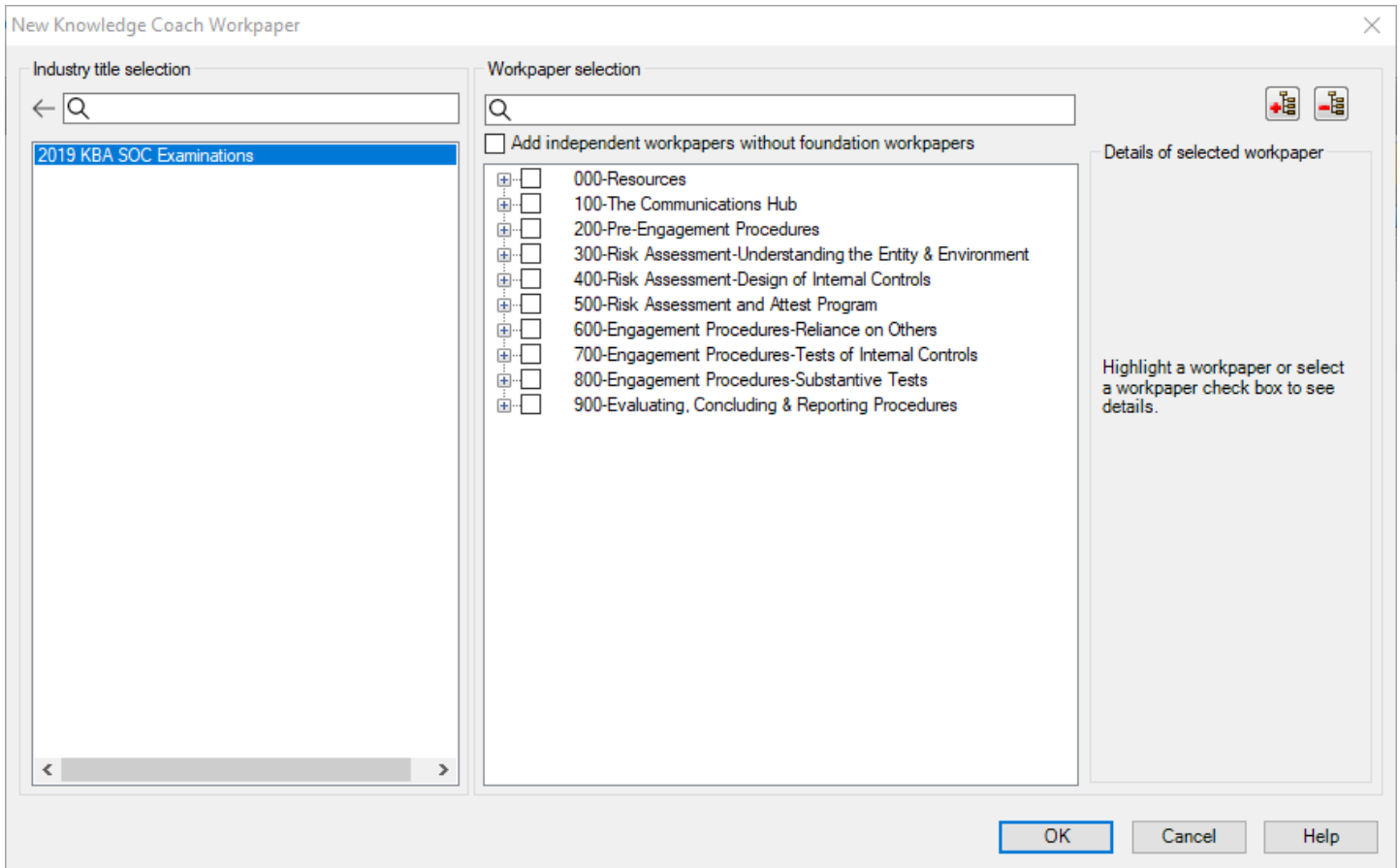


Figure 1 - New Knowledge Coach Workpaper

Additional Information on Knowledge Coach and the KBA Methodology

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 auditors through the methodology;
- Knowledge-Based Attestation documents, integral to the risk assessment and overall audit processes, which contain steps and procedures required by professional standards;
- Customizable Engagement Programs that take auditors through related steps and procedures;
- Practice Aids to help auditors 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; and
- Correspondence documents that provide sample letters to be used to comply with professional standards, SSAE and SSCS requirements and in many other common situations.

CCH® ProSystem fx® Knowledge Coach

Knowledge Coach functionality allows auditors to use the Knowledge-Based-Audit methodology more efficiently by eliminating the need for duplicate entry of the same information, tailoring audit 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 auditor avoid duplication and unnecessary workpapers.

Note: Before you begin your engagement, please review the guidance in ATT-101 Overall Attestation Program. This workpaper is intended to be your road map through a Knowledge-Based Audit methodology. You should start your audit with ATT-100 Tailoring Question Workpaper and ATT-101 Overall Attestation Program.

- **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 the user to continuously assess risks during the engagement. Several workpapers prompt the consideration of 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 display in findings tables, make sure to check the “workpaper identified in” field of the Risk pane.
- **Information Flow**
Helps cut down on 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 keep track of unresolved issues like unanswered questions, incomplete risks, program steps not linked to risks or relevant assertions, missing workpaper, and more.
- **Links to Accounting Research Manager (ARM)**
If you subscribe to an ARM library that includes audit content, you can link directly to source material from Resources within Knowledge Coach workpapers. These links have been updated to reference to the accounting standards under the FASB Accounting Standards Codifications and the auditing standards issued by the AICPA. Also, if you subscribe to the Knowledge-Based Examinations of Service Organizations Guide on ARM, you can take advantage of links to the audit guide material from within the Knowledge Coach documents.
- **Interpretive Guidance**
It is integrated into 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 auditors work more effectively and efficiently. You can also navigate from Resources within a document or the tip pane directly to CCH’s Accounting Research Manager and industry audit guides by simply clicking on the Reference.

Download Description:	2019 Knowledge-Based Examination of Service Organizations
Version:	Engagement and Knowledge Coach v2017 with CCH ProSystem fx Engagement v2017.2.4 Update or later OR Engagement and Knowledge Coach v2018 or later 2018 Financial Statement Base

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