

# CCH® ProSystem fx® Knowledge Coach

## Welcome to 2020 Knowledge-Based Examinations of Service Organizations for Knowledge Coach

This document provides important information about the 2020 release of Knowledge Based Examinations of Service Organizations. 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™ Examinations of Service Organizations

This title can be installed on CCH® ProSystem fx® 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 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.

Examinations of service organizations are often unique and complex, and require specialized accounting and attestation knowledge. Conducting examinations of service organizations requires the exercise of the practitioner's professional judgment. This edition includes specific up-to-date guidance for examinations of service organizations and is published for the purpose of communicating to users of the toolset information about the updates and enhancements 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 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.

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 provide instant access to detailed analysis related to the steps and processes discussed in the workpapers.

## 2020 Edition of Knowledge-Based Examinations of Service Organizations

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 used the non-complex 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 non-complex document. Then, remove this workpaper from the prior year binder after you have rolled the binder forward.

If your binder has been finalized and you don't want to unfinalize it to insert the complex document before rolling forward from the 2019 version, make a copy of your finalized binder and 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 retains the data in the 2020 combined version.

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

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

By performing an option above, the Relevant Principle tables and Section IV: Conclusion from the non-complex document will be retained in the new combined document. This option works the same as the Commercial KBA-401 workpaper.

- **Modifying the KBA-201 Attestation Client/Engagement Acceptance Form** to allow users the option to memo or complete the detailed table for each section based on tailoring.
- **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.
- **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. This new column contains a dynamic list of risks noted in KBA-501 Risk Assessment and Attest Program: Examination-Level Engagement.
- **Enhancing instructions, practice points, and procedures** throughout the toolset to improve workflow.

[Click here](#) for the 2020 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 (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)
- 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:

- 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 action saves all data within tables.
- You can view other Knowledge Coach best practices on our [Support 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 the Help > About window 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 Examinations of Service Organizations license. Users who do not have a license for this title will not be able to 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:** 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.

You must install the 2019 Financial Statement Base title before installing the 2020 Knowledge Based Examination of Service Organizations.

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.

## Online Permission Key

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Permission key files can be downloaded from our [Web site](#) or when adding or updating the new licenses in Engagement v2018 and newer. After updating the license file in the Engagement Admin module, licenses must be assigned to the staff who will use 2020 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.

## 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 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 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 practitioners 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 Overall Attestation Program. This workpaper is your road map through a Knowledge-Based Audit methodology. Start your engagement 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 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 workpaper, 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 within 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 Examinations of Service Organizations Guide on ARM, you can take advantage of links to the attestation guide material in 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 within a document or the tip pane directly to CCH's Accounting Research Manager and industry attestation guides by simply clicking on the reference.

<b>Download Description</b>	2020 Knowledge-Based Examination of Service Organizations
<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>	January 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 and 10
<b>Office</b>	Microsoft® Office 2013 or higher required