

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

## Welcome to 2020 Knowledge-Based Preparations, Compilations, and Reviews of Commercial Entities for Knowledge Coach

This release notes document provides important information about the 2020 release of Knowledge Based Preparations, Compilations, and Reviews of Commercial Entities. Please review this information 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 accountants efficiently and effectively perform financial statement preparation engagements, compilations, and reviews of nonpublic commercial entities in accordance with Statements on Standards for Accounting and Review Services (SSARS) issued by the Accounting and Review Services Committee (ARSC) of the American Institute of Certified Public Accountants (AICPA).

The Knowledge-Based™ Audit Methodology is a risk-based methodology that emphasizes using knowledge of the entity to perform preparation, compilation, and review engagements. It facilitates the flow of information so that the understanding obtained in each process affects the decisions made in the next. Although accountants will likely perform most steps in this methodology sequentially, conducting an engagement is not necessarily a linear process. Knowledge gained from preliminary engagement activities helps the accountant design and customize engagement procedures; evidence gained from procedures performed is evaluated, and the appropriate accountant's report, if any, is issued. This edition includes specific up-to-date guidance for conducting preparation, compilation, and review engagements in accordance with the SSARS.

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 2020 documents include CCH<sup>®</sup> Accounting Research<sup>®</sup> material links to specific guidance that provide detailed analysis related to the steps and processes discussed in the workpapers.

**Caution:** This title should only be used by accountants who are implementing the requirements of SSARS-25. For engagements where those standards will not yet be implemented, the auditor should continue to use the 2019 title, released on August 1, 2019.

## New in this Release

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### CCH® ProSystem fx® Engagement 2019 Compatibility

This title can be installed on Engagement v2019 by first installing the Engagement v2019.2.6 update. The latest update can be downloaded via CCH Software Delivery Manager. This update allows you to use the 2020 content without installing Engagement v2020 until your firm plans to update.

### KBCR-901 Financial Statement Disclosure Checklist

If you are not an early adopter, you still must install this title to obtain the updated KBCR-901 Financial Statement Disclosure Checklist. The disclosure checklist is an independent workpaper. It can be added to a binder without updating the other content for the new standards.

After installing, there are three options for inserting the updated disclosure checklist into a binder:

- Install the 2020 title, but do not release it. In the ADMIN module, assign the Insert Workpapers from Unreleased Titles right to a select group of staff members. Those staff members could then insert the updated checklist and delete the existing checklist from the binder. The new checklist will not include any of the prior responses; however, the user could refer back to the checklist in the prior year binder and copy/paste any relevant information.
- Staff members with the Insert Workpapers from Unreleased Titles right could use the Update Knowledge Coach Content feature to update to the 2020 checklist. To do this, first check in all workpapers except KBA-901 *Financial Statement Disclosures Checklists* to avoid accidentally updating other workpapers. Then, right-click on KBA-901 in the binder and select **Update Knowledge Coach Content > Update Selected Knowledge Coach Workpapers** to update only the disclosure checklist to the 2020 version. This option keeps responses from the prior year, other than the tailoring questions (table of contents). **If other forms are accidentally updated, the updates cannot be undone.**
- Install the 2020 title, but do not release it. Have a staff member with the Insert Workpapers from Unreleased Titles right create a binder template with just the updated disclosure checklist. Other staff members can copy and paste the disclosure checklist from the template into the client engagement binders. The new checklist will not include any of the prior responses; however, the user could refer back to the checklist in the prior year binder and copy/paste any relevant information.

### 2020 Edition of Knowledge-Based Preparations, Compilations, and Reviews of Commercial Entities

This edition features numerous enhancements, including:

- Three new tailoring questions in REV-100 for the Review title
- New and modified procedure steps, practice points, and reports for the current accounting guidance noted above
- A new report, RPT-1033 Review Report: Adverse Conclusion - Sales on Installment Method

[Click here](#) for the 2020 Preparations, Compilations, and Reviews of Commercial 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 accounting guidance:

- Statement on Standards for Accounting and Review Services No. 25 (SSARS-25), Materiality in a Review of Financial Statements and Adverse Conclusions - 2020)
- AICPA Guide Preparation, Compilation and Review Engagements
- The revised AICPA Code of Professional Conduct (Code), including ET Section 1.295, Nonattest Services
- AICPA Statement on Quality Control Standards No. 8 (QC Section 10), A Firm's System of Quality Control (Redrafted)
- AICPA Audit Risk Alert Developments in Preparation, Compilation, and Review Engagements - 2017/18
- FASB Accounting Standards Codification™ as of June 30, 2020, through Accounting Standards Update No. 2020-05

## Best Practices

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- 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](#).

## License Requirements

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This title requires the Knowledge-Based Commercial Preparation, Compilation, and Reviews 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 and 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.

### Notes:

- You must install the 2020 Financial Statement Base title before installing this title.
- This title can be installed on Engagement v2019 by installing the v2019.2.6 or later update, which is available on Software Delivery Manager.
- On occasion, the content package file (KCP) downloads 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.

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

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

Available on ARM, the Knowledge-Based Preparations, Compilations, and Reviews of Commercial Entities Guide helps you comply with the most recent professional standards and guidance. It also integrates 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 Preparations, Compilations, and Reviews of Commercial Entities 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 Preparations, Compilations, and Reviews of Commercial Entities Guide on ARM, you can take advantage of references to the guide material from within the Knowledge Coach documents.

With ARM, 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 [ARM Web site](#). You can also access the ARM Web site by selecting **Engagement > Binder Window > Shortcuts Bar > Guidance tab**.