

2012 Knowledge-Based Audits™ of Construction Contractors and Related Entities (2/29/12) for Knowledge Coach

ProSystem fx
Knowledge Coach
February 2012



Release
Bulletin

Welcome to the *2012 Knowledge-Based Audits of Construction Contractor and Related Entities (2/29/12)*, the latest title available in the ProSystem fx® Knowledge Coach series! Please review this bulletin prior to installation and use. If you have any questions, call Technical Support at 1-800-PFX-9998, option 4.

Knowledge-Based Audits of Construction Contractors and Related Entities is designed to help the auditor efficiently and effectively perform financial statement audits of construction contractors and related entities in accordance with auditing standards generally accepted in the United States of America (GAAS). The knowledge-based audit 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 most risk to the financial statement audit. The operations of construction contractors and related entities are often unique and complex, and require specialized accounting and auditing knowledge. This module includes up-to-date guidance for audits of nonpublic construction entities of all types. The 2012 edition of *Knowledge-Based Audits of Construction Contractors and Related Entities* is current through Statement on Auditing Standards No. 124, *Financial Statements Prepared in Accordance with a Financial Reporting Framework Generally Accepted in Another Country*.

The 2012 edition of *Knowledge-Based Audits of Construction Contractors and Related Entities* includes the very latest information and has been updated to take into account new or pending auditing standards and the new audit guidance from AICPA's new Audit Guide for Construction Contractors. In addition, various practice alerts have been added to address the applicability of new or pending audit standards and guidance to audits of construction contractors and related entities. Also included is a general GAAP financial statement disclosures checklist (KBA-901) with an industry-specific section for construction contractors and related entities. Together these provide a centralized resource of the required and recommended GAAP disclosures and key presentation items currently in effect, using the style referencing under the FASB Accounting Standards Codification™. This is the third update to this Knowledge Coach title. If you are updating from the 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.

For more information on the **Knowledge-based Audit (KBA) Methodology** and how it works within ProSystem fx® Knowledge Coach, refer to the [Additional Information](#) section in this bulletin.

WORKPAPER UPDATES AND ROLL FORWARD NOTES

Important Note for Customers updating binders from 2010 or 2011 Knowledge Based Audits of Construction Contractors and Related Entities

We advise you to install Knowledge Coach 1.10.5 before updating to the 2012 Knowledge Based Audits of Construction Contractors and Related Entities. Knowledge Coach 1.10.5 will ensure that rows and sub-rows are not hidden in your updated content. For more information on Knowledge Coach 1.10.5, and the tables and rows where this issue can occur when updating to 2012 Construction Contractors and Related Entities, review the Release Notes and associated Knowledge Base article at the following link: <http://support.cch.com/updates/KnowledgeCoach/>. If you plan to update before updating to Knowledge Coach 1.10.5, please review the Knowledge Base article section called “How can I prevent rows from being hidden during content update?” for best practices to avoid triggering the missing sub-rows.

Also, please note the important roll forward notes for preparing your 2011 binders for roll forward where noted below. Review the notes carefully, as we have noted potential data loss for tables in the following workpapers:

- KBA-901 Financial Statement Disclosure Checklist
- AID-201 Non Audit Services Independent Checklist
- KBA-103 Significant Matters

General Roll Forward Note:

You must be the current editor of all Knowledge Coach workpapers to update to the latest content during roll forward, and you must be the current editor upon opening the updated workpaper for the first time to ensure you see the updated workpaper.

Audit Programs (AUDs):

- **AUD-201 Audit Program: Additional Audit Procedures for an Initial Audit Engagement** was updated to clarify issues such as predecessor auditor’s documentation, as well as completed and uncompleted contracts. New practice points have also been added.
- **AUD-801 Audit Program: Cash** through **AUD-819 Audit Program: Share-Based Payments** have been updated to include additional industry-specific substantive procedures.
- **AUD-809 Audit Program: Payrolls and Job Costing (of Payroll) and Other Liabilities** was updated to address new ASU 2011-09 on multiemployer plan issues.
- **NEW AUD-819 Share-Based Payments** has been added to help the auditor gain sufficient appropriate audit evidence for risk related to share-based payments.
- **NEW AUD-905 Audit Program: Consideration of Omitted Procedures after the Report Date** is designed to help the auditor consider and address the importance of omitted procedures that may have been necessary at the time of the audit; document procedures performed subsequent to the date of the audit report; determine the appropriate course of action in the circumstances; and document the auditor’s conclusions.
- **NEW AUD-906 Interim Review Program-Review of Interim Financial Information** has been added to help the auditor document procedures performed during the quarterly reviews of interim financial information and a conclusion as to whether there are any material modifications that should be made to the interim financial information for it to conform to the applicable financial reporting framework.

Practice Aids (AIDs):

- **AID-201 Nonaudit Services Independence Checklist** has been updated with new practice points and examples.
 - **Important Roll Forward Note:** We have noted potential data loss in the 2011 version of this title. If you wish to retain the answers in the following tables, please review the release notes and instructions for the Knowledge Coach Update 2.27.12 for 2011 KBA Construction Contractors found here: <http://support.cch.com/updates/KnowledgeCoach/>
 - Section I: Nature of NonAudit Services Provided
 - Section III: Conclusion: both tables
- **NEW AID-703 Control Testwork Template** is designed to help the auditor in performing tests of the operating effectiveness of internal controls.

- **NEW AID-704 Summary Control Testing Plan** is designed to aid in the documentation of the auditor’s plan for testing the operating effectiveness of internal controls.

Knowledge-Based Audit Documents (KBAs):

- **KBA-103 Significant Matters** – Review of significant accounting estimates has been moved to a separate workpaper.
 - **Roll Forward Note:** If you are updating from the 2010 *Knowledge-Based Audits™ of Construction Contractors and Related Entities*, note that the Significant Matters table in KBA-103 *Significant Matters* has been separated into two tables to more clearly document significant findings or issues in accordance with Statement on Auditing Standard No. 103 (AU 339) *Audit Documentation*. As a result of this change, information originally entered into the 2010 Significant Matters table in previous versions will not be included on update.
 - **Important Roll Forward Note:** We have noted potential data loss in the 2011 version of this title. If you wish to retain the answers in the following table, please review the release notes and instructions for the Knowledge Coach Update 2.27.12 for 2011 KBA Construction Contractors found here: <http://support.cch.com/updates/KnowledgeCoach/>
 - Section II: Review of Significant Estimates table
- **KBA-104 Evaluating and Communicating Internal Control Deficiencies**
 - **Roll Forward Note:** If you are updating from the 2010 *Knowledge-Based Audits™ of Construction Contractors and Related Entities*, note that there is not a separate table for “other matters” in KBA-104 *Evaluation and Communication of Internal Control Deficiencies*. Content in the description column of the other matters table from previous versions will be moved to the Significant Matters table in KBA-103 on update. Other answers from the 2010 Other Matters table will not be included on update.
- **NEW KBA-106 Review of Significant Estimates** is a new foundation workpaper that has been designed to aid auditors in performing and documenting the review of significant estimates. Once your binder is rolled-forward or updated, you will need to insert this workpaper into your binder.
 - **Roll Forward Note:** The Review of Significant Estimates table has moved from KBA-103 *Significant Matters* to the new workpaper KBA-106 *Review of Significant Estimates*. Content in the Review of Significant Estimates table will move from previous versions to the new table in KBA-106. To ensure data updates correctly, insert KBA-106 *Review of Significant Estimates* into your updates binder after roll forward.
- **KBA-201 Client/Engagement Acceptance and Continuance Form** has been revised and includes a new question for fixed price contract job fade.
- **KBA-202 Engagement Continuance Form/KBA-201 Engagement Acceptance and Continuance Form** have been combined to create new **KBA-201 Client/Engagement Acceptance and Continuance Form**.
 - **Roll Forward Note:** If you are updating from the 2010 *Knowledge-Based Audits™ of Construction Contractors and Related Entities*, note that KBA-202 *Engagement Continuance Form* was replaced by KBA-201 *Engagement Acceptance and Continuance Form* in the 2010 version. Any risks and findings added to the KBA-202 *Engagement Continuance Form* of the 2010 Knowledge-Based Audits of Construction Contractors and Related Entities title will be included in the findings table of the KBA-201 *Engagement Acceptance and Continuance Form of 2012 Knowledge-Based Audits of Construction Contractors and Related Entities*. Other added data will no longer be available.
 - **IMPORTANT NOTE:** To ensure data updates correctly, insert the 2010 version of KBA-201 *Engagement Acceptance Form* is in your 2010 binder **BEFORE** you update to 2012 *Knowledge-Based Audits™ of Construction Contractors and Related Entities*. If you perform the update through the Update all Knowledge Coach Workpapers menu option and you want to keep this workpaper for reference, ensure you create a backup of the binder or a copy of the workpaper before you update.
- **KBA-302 Understanding the Entity and Its Environment** has been updated with additional factors for auditor consideration.
- **KBA-403 Understanding Activity-Level Controls: Revenue; Contracts, Retentions, and Accounts Receivable; and Cash Receipts** through **KBA-411 Understanding Activity-Level Controls: Financial Reporting and Closing Process** – A new column was added to document testing of operating effectiveness of controls.
 - **Roll Forward Note:** Since no data will be kept in excel workpapers when replaced with latest content, you may want to set the roll forward properties to “Include in roll forward” for this workpaper and manually add the new column so that your previous work is kept on roll forward.

- **KBA-901 Financial Statement Disclosures Checklist** – The disclosures checklist assists the auditor in ensuring that the client has properly reported, presented, and disclosed its financial statement activity in accordance with GAAP. The checklist follows the FASB Accounting Standards Codification format and is current through September 30, 2011. An industry specific section for construction contractors and related entities has been included and is designed to supplement the presentation and disclosure requirements in the General U.S. GAAP Financial Statement Disclosures Checklist. This supplement serves as a means to document consideration of the specialized presentation and disclosure requirements for construction contractors and related entities. This checklist reflects guidance through ASU 2011-09, *Compensation—Retirement Benefits—Multiemployer Plans (Subtopic 715-80)—Disclosures about an Employer’s Participation in a Multiemployer Plan*.
 - **IMPORTANT NOTE:** If you are updating from the 2010 *Knowledge-Based Audits™ of Construction Contractors and Related Entities* or 2011 *Knowledge-Based Audits™ of Construction Contractors and Related Entities*, note that the formatting of the Disclosure checklist has changed. In the 2012 version, the check list starts as a standard non-public commercial entity checklist and the Construction Contractors and Related Entities specific information is included at the end of the document. Because of this format change, not all of you answers will be updated or roll forward. Please verify your answers are still correct after updating or rolling forward.
 - **Important Roll Forward Note:** We have noted potential data loss in the 2011 version of this title. If you wish to retain the answers in the following tables, please review the release notes and instructions for the Knowledge Coach Update 2.27.12 for 2011 KBA Construction Contractors found here: <http://support.cch.com/updates/KnowledgeCoach/>
 - Notes to the Financial Statements
 - Other Expenses

Correspondence Documents (CORs):

- **COR-204 Audit Engagement Letter** has been updated to add “material weakness” to the language of the engagement letter and to provide appropriate verbiage for engagements to report on supplementary information under SAS-119.
- **NEW COR-211 Communication with Predecessor Auditor Prior to Client/Engagement Acceptance** provides a sample letter from successor auditor to predecessor auditor requesting information regarding management's integrity, prior to making the client acceptance decision.
- **NEW COR-212 Request from Client to Predecessor Auditor to Release Information to Successor Auditor** provides a sample letter from client to predecessor auditor asking them to release information and respond to successor auditor inquiries.
- **COR-816 Request for Confirmation of Lease Agreement** has been updated with a new Practice Point to provide information about the provisions of Proposed Accounting Standards Update or Exposure Draft (ED), *Leases* (Topic 840).
- **COR-901 Management Representation Letter** has been updated to reflect representations regarding supplement and required other additional language as addressed in SAS-118, 119, and 120.
- **NEW COR-906 Management Representation Letter: Interim Review of Financial Information—Short Form** provides a sample “short form” management representation letter designed to provide guidance related to procedures for obtaining management representations in connection with a review of interim financial information.
- **NEW COR-907 Management Representation Letter: Interim Review of Financial Information—Long Form** provides a sample “long form” management representation letter designed to provide guidance related to procedures for obtaining management representations in connection with a review of interim financial information.

Auditor’s Reports (RPTs):

- **RPT-901 Unqualified Opinion: Single-Year Financial Statements through RPT-985 Disclaimer of Opinion: Separate Report on Supplementary Information in Relation to the Financial Statements as a Whole—Adverse Opinion on the Financial Statements** have been reorganized by opinion type and updated throughout to reflect changes in standards, where applicable, and update or add new practice points addressing clarified standards.
- **NEW RPT-986 Report on Condensed Financial Information Presented on Comparative Basis with Interim Financial Information as of a Subsequent Date That Is Accompanied by the Auditor’s Review Report** provides a sample report on a review of interim financial information, when the interim financial information also includes condensed, audited information from a prior period.
- **NEW RPT-987 Report on a Review of Interim Financial Statements** provides a sample report on a review of interim financial information, single year.

- **NEW RPT 988 Report on a Review of Interim Financial Statements—Reference to Other Auditor** provides a sample report on a review of interim financial information, when the auditor references the work of another auditor.

Resource Documents (RESs):

- **RES-001 Knowledge-Based Audit Methodology Overview** has been updated to provide information regarding the Auditing Standards Board's Clarity Project and, where applicable, to reflect organizational and instructional changes noted above. It also provides additional discussion of construction and contractor-specific topics, such as the nature of the construction industry, including audit risk and considerations related to the unique risks of construction contractors (for example, uncompleted contract issues for job gain or fade considerations), management estimates, inherent risk issues, internal controls important to the construction industry, and how to group and evaluate them.
- **NEW RES-010 2012 Construction Contractors and Related Entities Title Overview for Knowledge Coach Users** has been added as a reference document for the workpaper update information, along with list of related workpapers for the title.
- **NEW RES-QCA Meeting Quality Control Standards Using KBA Audit Tools** has been added as a reference document.

In addition, forms and practice aids throughout have been updated, where applicable, to take into account:

New literature, standards, and developments applicable to construction contractors and related entities are reflected in the following current audit and accounting guidance:

Statements on Auditing Standards (SASs):

- SAS-118, *Other Information in Documents Containing Audited Financial Statements*
- SAS-119, *Supplementary Information in Relation to the Financial Statements as a Whole*
- SAS-120, *Required Supplementary Information*
- SAS-121, *Revised Applicability of Statement on Auditing Standards No. 100—Interim Financial Information*
- SAS-122, *Statements on Auditing Standards: Clarification and Recodification*
- SAS-123, *Omnibus Statement on Auditing Standards—2011*
- SAS-124, *Financial Statements Prepared in Accordance with a Financial Reporting Framework Generally Accepted in Another Country*

AICPA Statement on Quality Control Standards No. 8 (SQCS-8), *A Firm's System of Quality Control (Redrafted)*

FASB Accounting Standards Codification (through September 30, 2011)

Additional Information on Knowledge Coach and the KBA Methodology

KBA Methodology

The 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 new methodology.
- Customizable **Audit Programs** that take auditors through related steps and procedures.
- **Practice Aids** to help auditors complete steps or processes outlined in the Knowledge-Based Audit documents and Audit Programs.
- **Auditor's Reports** that provide a variety of sample auditor's opinions on audited financial statements.
- **Correspondence** documents that provide sample letters to be used to comply with GAAS requirements and in many other common situations.
- **Knowledge-Based Audit** documents, integral to the risk assessment and overall audit processes, which contain steps and procedures required by GAAS.

Risk Assessment Standards - The practice aids and tools in the *2012 Edition of Knowledge-Based™ Audits of Construction Contractors and Related Entities* are designed around the AICPA's risk assessment standards to assist auditors of construction contractors and related entities by:

- Facilitating compliance with GAAS
- Encouraging more effective audits through tailored audit programs and comprehensive practice aids
- Helping auditors to focus on and respond to identified audit risks
- Enhancing audit documentation.

ProSystem fx® Knowledge Coach

ProSystem fx® 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. **AUD-100 Tailoring Question Workpaper** 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.

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

Risks can be captured via the Risk Summary task pane from any Knowledge Coach workpaper by the current editor of **KBA-502 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 show 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 audit file.

Diagnostics help you keep track of unresolved issues like unanswered questions, incomplete risks, program steps not linked to risks or relevant assertions, missing workpaper, and more. Diagnostics now show when a form table has not been answered (i.e. tables in **KBA-101 Overall Audit Strategy** that are added by the tailoring questions in **AUD-100 Tailoring Question Workpaper**).

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 documents. These links have been updated to reference to the standards under the FASB Accounting Standards Codification™. Also, if you subscribe to the *Knowledge-Based Audit of Construction Contractors and Related Entities Guide* on ARM, you can take advantage of brand new links to the audit guide material from within the Knowledge Coach documents.

Interpretive Guidance 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. We have also added the ability to 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.

Important Notes

If you are updating from the *2011 Knowledge-Based Audits™ of Construction Contractors and Related Entities*, you must install Knowledge Coach 1.8 or higher to ensure that your content updates correctly. We advise you to install Knowledge Coach 1.10.5 before updating to the 2012 Knowledge Based Audits of Construction Contractors and Related Entities. Knowledge Coach 1.10.5 ensures that rows and sub-rows are not hidden in your updated content. For more information on Knowledge Coach 1.10.5, and the tables and rows where this issue can occur when updating to 2012 Construction Contractors and Related Entities, review the Release Notes and associated Knowledge Base article at the following link: <http://support.cch.com/answerdoc.aspx?id=sw35816>

- Save changes to workpapers before closing the workpaper or the binder to ensure data is correctly updated.
- If your Current Editor Knowledge Coach MS Word workpapers become read-only or crashes, please do the following
 - Keep the binder with the affected workpapers open.
 - Contact Customer Service at 1-800-PFX-9998, option 4 to obtain a repair utility.

- Knowledge Coach cannot be used within the Shared File Room (SFR) feature of Engagement. However, Knowledge Coach workpapers can be shared across team members through check in, check out, workpaper assignment, syncing to the central file room, and through peer-to-peer synch in the same way that other Engagement workpapers are shared.

System Requirements

- This title **MUST** be used with ProSystem *fx* Engagement version 6.8 and higher. If you are upgrading from ProSystem *fx* Engagement 6.0, 6.1, 6.1.2, or 6.5 please contact Technical Support at 1-800-PFX-9998, option 4 for detailed instructions.
- A minimum of 2GB of RAM is required for optimal performance when opening and navigating through ProSystem *fx* Knowledge Coach documents.

Download Instructions

Download the *2012 Knowledge-Based Audits™ of Construction Contractors and Related Entities* from the **ProSystem *fx* Knowledge Coach Updates** section of the ProSystem *fx* Engagement Support Web site at the following URL:

<http://support.cch.com/updates/KnowledgeCoach>, then select the **Knowledge Coach Series** and **Download file** link next to the **2012 Knowledge-Based Audits of Construction Contractors and Related Entities**. Occasionally, 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.

Important: ProSystem *fx* Engagement version 6.8 or higher must be installed in order to install this Knowledge Coach title. Additional requirements include Microsoft Office 2007, Microsoft Office 2003 Primary Interop Assemblies (PIA), and Visual Studios 2005 Tools for Office Second Edition Runtime (VSTOR).

The following 2012 Knowledge-Based Audits of Construction Contractors and Related Entities (2/17/12).KCP download is a proprietary file that must be installed from within Engagement. Save this KCP file to a location on your local drive, extract it, 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 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 ProSystem *fx* Engagement with Knowledge Coach Release Notes for any other system requirements.

After downloading the *2012 Knowledge-Based Audits of Construction Contractors and Related Entities*, do the following:

1. Launch the ProSystem *fx* Engagement Workpaper Management application so that the Local File Room is displayed. Select **Tools > Knowledge Coach Titles**. The Knowledge Coach Titles window displays.
2. Choose **Add Title**.
3. Browse to the title package file (*.KCP) that you previously downloaded and extracted from the ProSystem *fx* Knowledge Coach Support Web site.
4. Choose **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.

Once the title is added, you must release it so that other staff members in your firm can use it. You may also wish to “unrelease” previous versions of the title.

To unrelease a title:

1. Select a previous version of the KBA Construction Entities title
2. Choose **Unrelease Title**. The date will be removed from the *Date released* column and staff members that do not have the staff group property rights to insert unreleased titles will not be able to insert the unreleased titles into a binder.

Note: You can determine this access in the **ProSystem *fx* Engagement Admin** module by selecting a staff group and choosing **File > Properties > Content** “Insert Knowledge Coach workpapers from unreleased titles” option.

To release a title:

1. Select a Knowledge Coach title in the list that has been added but is not yet released.
2. Choose **Release Title**. The current date and time will be displayed in the *Date released* column, and the status will change to “Released.”

Note: You must add and assign a Knowledge Coach module as well as the Knowledge Tools title license in the ProSystem *fx* Engagement Administrator before using the workpapers.

Important: Once the *2012 Knowledge-Based Audits of Construction Contractors and Related Entities* title is added and released, it will be automatically deployed to other staff members when they login 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 Web site at <http://tax.cchgroup.com> or when adding or updating the new licenses within ProSystem *fx* Engagement with Knowledge Coach version 6.8 and higher. After updating the license file in the ProSystem *fx* Engagement Admin module, licenses must be assigned to the staff who will use 2012 *Knowledge-Based Audits™ of Construction Contractors and Related Entities*.

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

Permission keys are no longer generally distributed via floppy diskette. You can choose to continue receiving the diskette by going to <http://tax.cchgroup.com/pfxsupport>, clicking the Firm Administration link, and making the appropriate selection (SSO access is required), or by contacting Customer Service at 1-800-PFX-9998, option 4.

Accounting Research Manager

CCH's Accounting Research Manager 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.

Our Weekly Summary email newsletter highlights the key developments of the week, giving you assurance that you have the most current information. It provides links to new FASB, AICPA, SEC, EITF, and IASB authoritative and proposal-stage literature, plus guidance from financial reporting experts.

Our team of content experts updates the system on a daily basis, so you can stay as current as possible. What's more, our experts attend critical standard-setting meetings and summarize the results for you, which means you'll learn of newly released literature and deliberations of current financial reporting projects as soon as they occur! Plus, you'll benefit from their easy-to-understand technical translations. Our expert's interpretations clearly lay out what the rules mean from your perspective.

Newly available is the Knowledge-Based Construction Contractors and Related Entities, an audit guide that helps you comply with the AICPA's risk assessment standards and has incorporated the Knowledge-Based Audit methodology. The primary objective of the guide is to provide practitioners with an effective approach for conducting audits of construction contractors and related entities. This publication supplements and complements the KBA documents that are available in Knowledge Coach.

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 <http://www.accountingresearchmanager.com>. You can also access the Accounting Research Manager Web site by selecting the item in ProSystem *fx* Engagement from the Guidance tab on the Shortcuts bar in the Binder window.

Links to Accounting Research Manager (ARM)

As indicated above, subscribers to an Accounting Research Manager library that includes source content can link directly to source material from references within Knowledge Coach workpapers. These links have been updated to reference the new Codification released by the FASB and available on ARM. The Codification on ARM is fully integrated with U.S. and international accounting standards, other non-authoritative materials, and industry leading interpretive guidance.

Using Your Knowledge Coach Content

To use your Knowledge Coach Workpaper Templates, open a binder in ProSystem *f*x Engagement, select the workpaper tab into which you would like to insert the workpaper, and select **New Knowledge Coach Workpaper** from the toolbar or File menu. The New Knowledge Coach Workpaper dialog appears (*Figure 1*).

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. Select the Knowledge Coach Workpaper Templates to insert into your binder and click **OK**. The **Selected Workpaper Properties** dialog appears. 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. Then click **OK**. The integrated Knowledge Coach workpaper is now inserted into your engagement binder. For more information on how to use Knowledge Coach workpapers in your binder, see the Knowledge Coach User Guide.

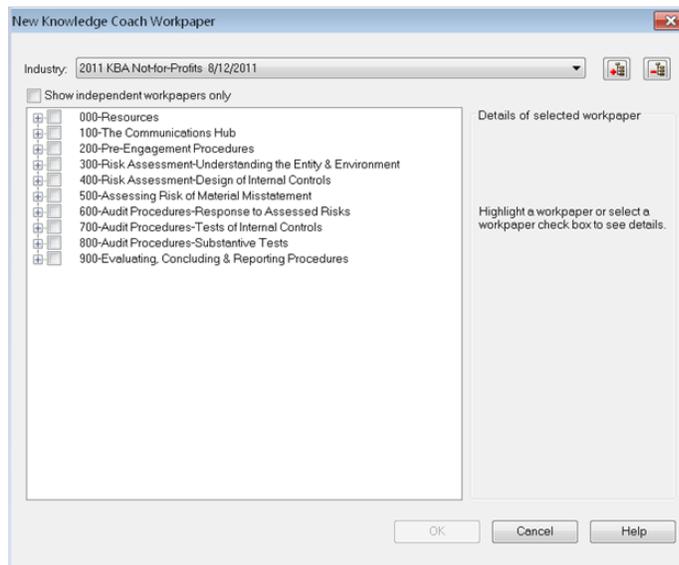


Figure 1 – New Knowledge Coach Workpaper

Download Description:	2012 Knowledge-Based Audits of Construction Contractors and Related Entities (2/29/12)
Version:	Engagement v. 6.8 with Knowledge Coach or higher
Release Date:	February 2012
File size:	14MB
Approx. Download Time:	45 minutes at 56 kbps
License:	Full Version
Platforms:	Windows XP/Vista
Office:	Microsoft Office 2007 required

Contact Information

For a demo or to purchase additional titles as they become available
 Technical Support

1-800-PFX-9998, option 1
 1-800-PFX-9998, option 4, then option 1

The ProSystem *f*x Engagement version of the Knowledge Coach Integrated Knowledge-Based Guides is sold and supported by CCH, a Wolters Kluwer business. The contact information above can be used for customer service and support issues for this product. For information about other CCH products, please call 1-800-248-3248 or visit the online Store at <http://tax.cchgroup.com>.