2011 Knowledge-Based™ Audits, Compilations, and Reviews of Common-Interest Realty Associations (12/19/11) for Knowledge Coach

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Release Bulletin

Welcome to the *2011 Knowledge-Based™ Audits, Compilations, and Reviews of Common-Interest Realty Associations (12/19/11)*, 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, option 1**.

Knowledge-Based Audits, Compilations, and Reviews of Common-Interest Realty Associations is designed to help the practitioner efficiently and effectively perform financial statement audits, compilations, and reviews of Common-Interest Realty Associations (CIRAs) in accordance with auditing standards generally accepted in the United States of America (GAAS) and Statements on Standards for Accounting and Review Services (SSARSs) issued by the Accounting and Review Services Committee (ARSC) of the American Institute of Certified Public Accountants (AICPA).

The **Knowledge-Based™ Audit Methodology (KBA)** is a risk-based audit approach that emphasizes using knowledge of the CIRA to make risk assessments in connection with a financial statement audit. The **Knowledge-Based™ Compilation and Review Methodology (KBCR)** is a methodology that emphasizes using knowledge of the CIRA to perform compilation and review engagements by facilitating the flow of information so that the understanding obtained in each process affects the decisions made in the next. The 2011 edition includes new or pending professional standards and guidance. The 2011 edition of *Knowledge-Based Audits, Compilations, and Reviews of Common-Interest Realty Associations* is current through Statement on Auditing Standards (SAS) No. 120, *Required Supplementary Information,* and Statement on Standards for Accounting and Review Services (SSARS) No. 19, *Compilation and Review Engagements.* Also, included in this title is an industry specific financial statement disclosure checklist. **KBA-901 Financial Statement Disclosures Checklist** follows the FASB Accounting Standards Codification format and is current through December 31, 2010.

The 2011 documents include Accounting Research Material links to specific guidance that provides instant access to detailed analysis related to the steps and processes discussed in the workpapers.

Additional Information on Knowledge Coach and the Knowledge Based Methodology

The Knowledge-Based Methodology allows the results of one set of procedures to become the input for the next. The key components of the Knowledge-Based™ Methodology for CIRA engagements include:

- An **Overview** that guides practitioners through the methodology.
- Customizable **Engagement Programs** that take practitioners through related steps and procedures.
- **Practice Aids** to help practitioners complete steps or processes outlined in the overall engagement programs.
- **Reports** that provide a variety of sample auditor's opinions on audited financial statements and sample practitioner's reports on compiled or reviewed financial statements.
- **Correspondence** documents that provide sample engagement and representation letters to be used to comply with professional standards and in many other common situations.

- **Audit, Compilation, and Review** documents, integral to the overall engagement processes that contain steps and procedures required by professional standards.

Risk Assessment Standards- The practice aids and tools in the *2011 Edition of Knowledge-Based™ Audits, Compilations, and Reviews of Common-Interest Realty Associations* are designed to assist practitioners by:

- Facilitating compliance with professional standards;
- Encouraging more effective engagements through tailored engagement programs and comprehensive practice aids;
- Helping practitioners focus on the subject matter and suitable criteria, and when applicable, respond to identified risks; and
- Enhancing engagement documentation.

ProSystem *fx*® Knowledge Coach

ProSystem *fx*® Knowledge Coach functionality allows practitioners to use the Knowledge-Based Methodology more efficiently by eliminating the need for duplicate entry of the same information, tailoring documentation to each particular engagement, and documenting the link between risks identified and procedures performed or documenting the focus on the subject matter and suitable criteria. **AUD-100, CMP-100, and REV-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 practitioner avoid duplication and unnecessary workpapers.

The Common-Interest Realty Association title comes in three title packages, i.e. 2011 Knowledge-Based Audits of Common Interest Realty Associations (11/16/11), 2011 Knowledge-Based Compilations of Common Interest Realty Associations (available December 2011), 2011 Knowledge-Based Reviews of Common Interest Realty Associations (available December 2011). As you complete your selected engagement type, only one version of the workpapers noted here are required.

Before you begin your engagement, please review the guidance in **AUD-101 Overall Audit Program, CMP-100 Overall Compilation Program and REV-100 Overall Review Program**. This workpaper is intended to be your road map through a Knowledge-Based methodology. You should start your engagement with **AUD-100, CMP-100, and REV-100 Tailoring Question Workpaper** and **AUD-101 Overall Audit Program, CMP-100 Overall Compilation Program and REV-100 Overall Review 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. The Risk pane is only applicable to the Audit portion of the title.

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 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, compilation or review content, you can link directly to source material from Resources within Knowledge Coach documents. Also, if you subscribe to the *Knowledge-Based Methodology for Common Interest Realty Associations* on ARM, you can take advantage of links to the 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 practitioners 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 guides by simply clicking on the Reference.

The following resource documents have been added to audit title:

- **RES-010 2011 Audits of Common-Interest Realty Association 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.
- **RES-QCA Meeting Quality Control Standards Using KBA Audit Tools** has been added as a reference document.

The following resource documents have been added to the compilation and review title:

- **RES-010 2011 Compilations and Reviews of Common-Interest Realty Associations 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.
- **RES-QCCR Meeting Quality Control Standards Using Knowledge Based Compilation and Review Tools** has been added as a reference document.

Important Notes

- If your Current Editor Knowledge Coach MS Word workpapers become read-only or crash, 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, synching 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 Knowledge Coach version 1.8 or 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

There are 3 separate content packages for this Knowledge Coach title. The three packages are listed below. All of these packages only require one license to be assigned to the user in the Admin Module. Please see the section Installation Instructions below for more information.
- 2011 Knowledge-Based™ Audits of Common Interest Realty Associations (11/16/2011)
- 2011 Knowledge-Based™ Compilations of Common Interest Realty Associations (12/19/2011)
- 2011 Knowledge-Based™ Reviews of Common Interest Realty Associations (12/19/2011)

Download these titles 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 **2011 Knowledge-Based Audits of Common-Interest Realty Associations, 2011 Knowledge-Based Compilations of Common-Interest Realty Associations, or 2011 Knowledge-Based Reviews of Common-Interest Realty Associations.** On some occasions the content package file (.KCP) has downloaded 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 and Knowledge Coach version 1.8 or higher must be installed on the computer 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 2011 Knowledge-Based Audits of Common-Interest Realty Associations, 2011 Knowledge-Based Compilations of Common-Interest Realty Associations, or 2011 Knowledge-Based Reviews of Common-Interest Realty Associations.KCP download are proprietary files that must be installed from within Engagement. Save each of these KCP files to a location on your local drive, extract it, and follow the Installation Instructions included in the Release Bulletin.

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 applicable Common Interest Realty Association Title, 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 will be displayed.
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 release a title:

1. Select one of the Knowledge Coach titles 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 applicable has been 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 need to be assigned to the staff who will use 2011 *Knowledge-Based™ Audits, Compilations and Reviews of Common-Interest Realty Associations*.

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 Common Interest Realty Associations, an audit, compilation and review guide that helps you comply with the AICPA's risk assessment standards and has incorporated the Knowledge-Based Audit, Knowledge-Based Compilation, and Knowledge Based Review methodology. The primary objective of the guide is to provide practitioners with an effective approach for conducting audits, compilations, and reviews of Common Interest Realty Associations. This publication supplements and complements the Knowledge-Based 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 *fx* 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.
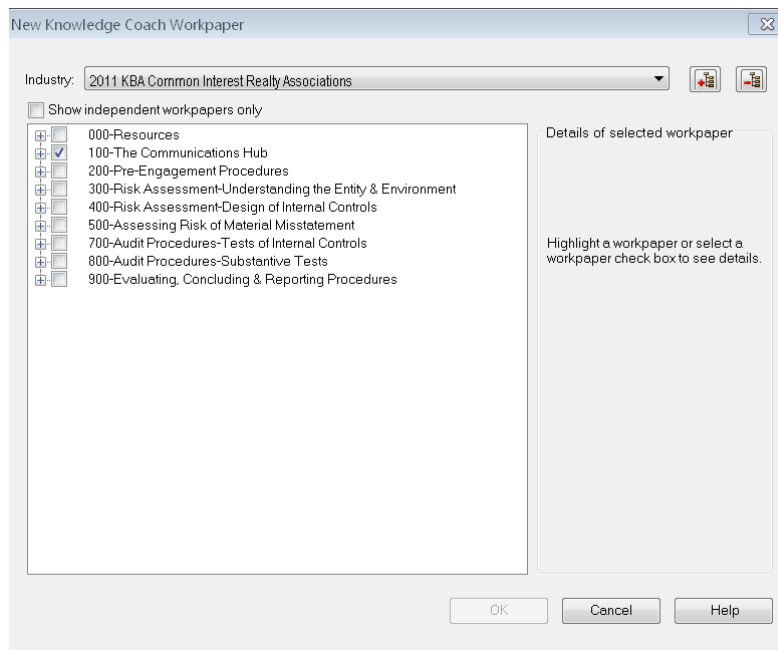

Figure 1 – New Knowledge Coach Workpaper

Download Description:	2011 Knowledge-Based Audits of Common Interest Realty Associations (11/16/11) 2011 Knowledge-Based Compilations of Common

	Interest Realty Associations (12/19/2011) 2011 Knowledge-Based Reviews of Common Interest Realty Associations (12/19/2011)
Version:	Engagement v. 6.8 with Knowledge Coach or higher
Release Date:	November and December 2011
File sizes:	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   1-800-PFX-9998, option 1
Technical Support   1-800-PFX-9998, option 4, then option 1

The ProSystem *fx* 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.