

# 2011 Knowledge-Based™ Compilations and Reviews (12/7/11) for Knowledge Coach

ProSystem fx  
Knowledge Coach  
December 2011



Welcome to the *2011 Knowledge-Based Compilations and Reviews (12/7/11)*, 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, then option 1.

Release  
Bulletin

***Knowledge-Based Compilations and Reviews*** is designed to help the accountant efficiently and effectively perform financial statement 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 2011 edition of *Compilations and Reviews* is current through SSARS-20, Statement on Standards for Accounting and Review Services No. 20 (SSARS-20), *Revised Applicability of Statements on Standards for Accounting and Review Services*.

The 2011 edition of *Knowledge-Based Compilations and Reviews* includes the very latest information and has been updated to take into account the latest literature, standards, and guidance applicable to compilation and review engagements. The 2011 tools include links to industry specific guidance that provides instant access to detailed analysis related to the steps and processes discussed in the workpapers. Also included is a revised financial statement disclosures checklist that provides 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™. The 2011 documents now 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. This is the second 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.

**NOTE:** For more information on the Knowledge-Based 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 Knowledge-Based Compilations and Reviews

You **must** download and install Knowledge Coach 1.8 or higher before updating to the 2011 Compilation and Reviews content. The Knowledge Coach 1.8 will ensure that all the 2011 content is updated correctly. For more information on the Knowledge Coach 1.8, review the Release Notes and associated Knowledge-Base article at the following link:

<http://support.cch.com/updates/KnowledgeCoach/>. If you have not installed Knowledge Coach 1.8, make sure to update all related and independent workpapers at the same time.

### 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.

### Compilation Programs (CMPs) and Review Programs (REVs):

- **REV-801 Review Program: Review Performance Procedures** and **CMP-801 Compilation Program: Compilation Performance Procedures** titles were changed from “Continuing Engagement” to “Review Performance Procedures” and “Compilation Performance Procedures,” respectively, to better reflect the purpose of the programs.
- **REV-802 Review Program: Client Inquiries** has been updated to provide a column for documenting the source of client information.
- **CMP-901 Compilation Program: Report** has been revised and reorganized. This workpaper now includes additional tailoring so that questions are shown or hidden based on CMP-100 tailoring questions for comparative financial statements and whether the engagement is continuing or noncontinuing.

### Practice Aids (AIDs):

- **AID-201 Nonattest Services Independence Checklist** has been updated to take into account independence considerations when the accountant is part of a network.
- **AID-827 Financial Statements** on S Corporations includes a new note on land held for investments; notes were renumbered.

### Knowledge-Based Compilation and Review Documents (KBCs and KBRs):

- **KBC/KBR-201: Client Engagement Acceptance and Continuance Form** has new tailoring for the Section IV table that shows or hides questions based on CMP-100 tailoring question for whether the engagement is new or reoccurring.
- **NEW KBR-202 Review: Additional Considerations for Reviews of Interim Financial Information (For Periods Beginning on or before December 15, 2011)** helps the accountant determine whether the engagement to review interim financial information should be conducted in accordance with SSARS or GAAS (for periods beginning on or before December 15, 2011).
- **NEW KBR-202A Review: Additional Considerations for Reviews of Interim Financial Information (For Periods Beginning after December 15, 2011)** helps the accountant determine whether the engagement to review interim financial information should be conducted in accordance with SSARS or GAAS (for periods beginning after December 15, 2011).
- **KBR-901 Financial Statement Disclosures Checklist** is current through June 30, 2011, and includes the relevant citation from the Codification as of June 30, 2011, using the FASB classification system; public entities disclosure items have been deleted.
- **NEW KBR-902A Review: Acceptance of Engagement to Review Interim Financial Information (For Periods Beginning after December 15, 2011)** is designed as a guide for determining whether a review of interim financial information should be completed in accordance with SSARS or in accordance with AU 722 of Generally Accepted Auditing Standards (for periods beginning after December 15, 2011).

### Correspondence Documents (CORs)

- **NEW COR-217 Communication with Predecessor Accountant Prior to Client/Engagement Acceptance** provides a sample letter to predecessor accountant requesting information that will bear on whether to accept a new client or engagement.
- **NEW COR-218 Request from Client to Predecessor Accountant to Release Information to Successor Accountant** provides a sample letter from client giving predecessor accountant permission to communicate with successor accountant.

### Reports (RPTs):

- **RPTs 901 Compilation Report: Single Year** through **1032 Alternative Accountant’s Report on Personal Financial Statements Included in Written Personal Financial Plans** provide sample compilation and review reports for periods ending on or after December 15, 2010 in accordance with the provisions of SSARS-19.
- **Pre-SSARS-19** sample reports for periods ending before December 15, 2010 have been eliminated.

## Resource Documents (RESS)

- **RES-001 Knowledge-Based Compilation and Review Methodology Overview** has been updated, where applicable, to provide additional guidance under SSARS-19 and to reflect organizational and instructional changes noted above.
- **RES-002 Comparison of Compilations, Reviews, and Audits** has been revised and updated.
- **NEW RES-010 2011 Not-for-Profit 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-QCCA MEETING QUALITY CONTROL STANDARDS USING KBA COMPILATION AND REVIEW TOOLS** has been added as a reference document.

In addition, Pre-Codification references have been deleted and forms and practice aids throughout have been updated, where applicable, to take into account:

- AICPA Statement on Quality Control Standards No. 8 (SQCS-8), *A Firm's System of Quality Control (Redrafted)*; and FASB Accounting Standards Codification (through June 30, 2011), including ASU No. 2011-02, *Receivables (Topic 310) – A Creditor's Determination of Whether a Restructuring Is a Troubled Debt Restructuring*; ASU No. 2011-04, *Fair Value Measurement (Topic 820) – Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRS*; and ASU No. 2011-05, *Comprehensive Income (Topic 220) – Presentation of Comprehensive Income*.

## Additional Information on Knowledge Coach and the KBA Methodology

### Knowledge-Based Methodology

**Knowledge-Based Compilation and Review (KBCR) Methodology** emphasizes using knowledge of the entity 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. Although the accountant will likely perform most steps in this methodology sequentially, an engagement is not necessarily a linear process. Knowledge gained from pre-engagement procedures helps the accountant design and customize engagement procedures; evidence gained from procedures performed is evaluated and the appropriate accountant's report is issued.

The key components of the KBCR methodology include:

- An **Overview** that guides accountants through the KBCR methodology.
- **Compilation Programs** and **Review Programs** that take accountants through related steps and procedures designed for use in compilation and review engagements.
- **Practice Aids** to help accountants complete steps or processes outlined in other related documents and provide example financial statement formats for different types of entities.
- **Reports** that provide a variety of sample accountant's reports on compiled or reviewed financial statements.
- **Correspondence** documents that provide sample engagement letters and management representation letters to be used in many common situations.
- **Knowledge-Based Compilation and Review** documents, integral to the overall engagement process, that contain steps and procedures required by SSARSs.

## ProSystem fx® Knowledge Coach

**ProSystem fx® Knowledge Coach** functionality allows accountants 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. **CMP-100 Tailoring Question Workpaper** and **REV-100 Tailoring Question Workpaper** are documents in Knowledge Coach that present engagement-level questions designed to aid in tailoring the engagement documentation to fit each client. Completing the questions helps the accountant avoid duplication and unnecessary workpapers.

Before you begin your engagement, please review the guidance in **CMP-101 Overall Compilation Program** and **REV-101 Overall Review Program**. These workpapers are intended to be your road map through the Knowledge-Based methodology. You should start your engagement with **CMP-100 Tailoring Question Workpaper**, **REV-100 Tailoring Question Workpaper**, **CMP-101 Overall Compilation Program**, and **REV-101 Overall Review Program**.

The Risk Assessment features have been disabled for the 2011 Knowledge-Based Compilations and Review Title for Knowledge Coach. Refer to **KBC-101 Compilation: Significant Matters** and **KBR-102 Review: Significant Matters** to accumulate and review significant issues and findings. **CMP-806 Compilation Program: Significant Risks and Uncertainties** and **REV-804 Review Program: Significant Risks and Uncertainties** provide a guide for implementing the guidance related to the disclosure of certain significant risks and uncertainties.

**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 you 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, missing workpapers, and more. Diagnostics now show when a form table has not been answered.

**Links to Accounting Research Manager (ARM)** - If you subscribe to an ARM library that includes compilation and review content, you can link directly to source material from Resources within Knowledge Coach documents. These links have been updated to include references to the accounting standards under the FASB Accounting Standards Codification™. Also, if you subscribe to the *Knowledge-Based Compilations and Reviews Guide* on ARM, you can take advantage of brand new 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 accountants 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.

#### IMPORTANT NOTES:

- If you are updating from the *2010 Knowledge-Based Compilations* or *2010 Knowledge-Based Reviews*, you must install Knowledge Coach 1.8 or higher to ensure that your content updates correctly.
- 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 MS Word workpapers become read-only or crash, please do the following:
  - Keep the binder with the affected workpapers open.
  - In the Tools drop-down menu from the Binder View screen, select **Save Knowledge Coach Answers**.
  - Contact Customer Service at 1-800-PFX-9998, option 4, option 1 if you have additional questions.
- 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 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, then option 1 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

The 2011 Knowledge-Based Compilations and Reviews title has been separated into two separate package files. Both 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 Compilations
- 2011 Knowledge-Based Reviews

Download the *2011 Knowledge-Based Compilations and Reviews* 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 Compilations and then the 2011 Knowledge-Based Reviews title**. 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 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 following 2011 Knowledge-Based Compilations and Reviews (12/5/11).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 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 *2011 Knowledge-Based Compilations and Reviews* titles, do the following:

1. Launch the ProSystem fx Engagement Workpaper Management application so that the Local File Room is displayed.
2. Select **Tools > Knowledge Coach Titles**. The *Knowledge Coach Titles* window displays.
3. Choose **Add Title**.
4. Browse to the title package file (\*.KCP) that you previously downloaded and extracted from the ProSystem fx Knowledge Coach Support Web site.
5. 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 Knowledge-Based Compilations and Reviews title
2. Choose **Unrelease Title**. The date will be removed from the *Date released* column and staff that do not have the staff group property right 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 Administrator 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 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 *2011 Knowledge-Based Compilations and Reviews* title 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 Compilations and Reviews*.

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, then option 1.

## 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 Compilations and Reviews, a guide that helps you comply with the AICPA's standards and has incorporated the Knowledge-Based methodology. The primary objective of the guide is to provide accountants with an effective approach for conducting compilations and reviews. 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 a 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 select only 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.

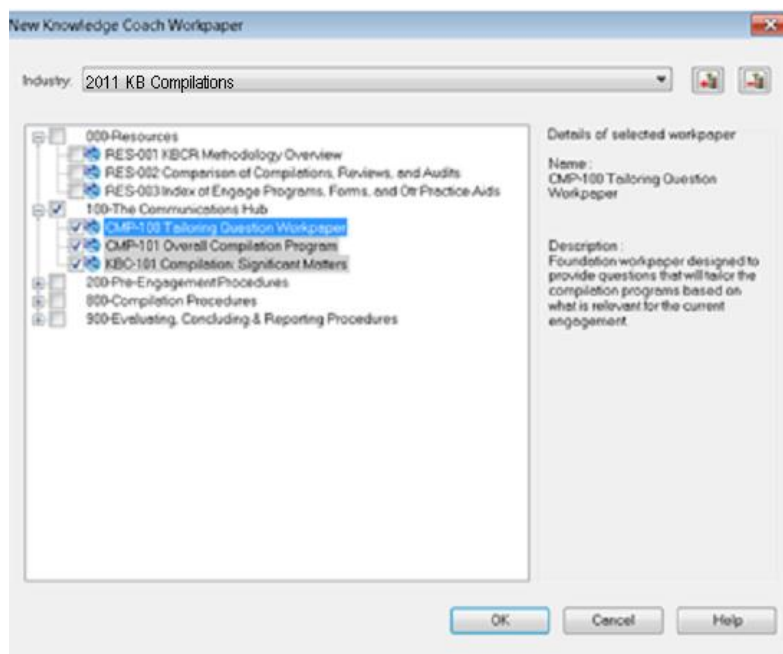


Figure 1 – New Knowledge Coach Workpaper

Download Description:	2011 Knowledge-Based Compilations and Reviews (12/7/11)
Version:	Engagement v. 6.8 with Knowledge Coach or higher
Release Date:	December 2011
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      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>.