

2013 Knowledge-Based Audits™ : International Audits (2/1/13) for Knowledge Coach



ProSystem fx
Knowledge Coach
January 2013

Release
Bulletin

Welcome to the Clarified version of *2013 Knowledge-Based Audits: International Audits (2/1/13)*, 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: International Audits is designed to help the auditor efficiently and effectively perform financial statement audits of non-public international entities in accordance with International Standards on Auditing (ISAs). The knowledge-based audit is a risk-based methodology that emphasises 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 judgement are the most significant and pose the most risk to the financial statement audit. The operations of international entities are often unique and complex and require specialised accounting and auditing knowledge. This edition includes specific up-to-date guidance for auditing international entities. Conducting audits of international entities requires the exercise of the auditor's professional judgement. This document is published for the purpose of communicating, to users of the toolset, updates and enhancements included in the current version. This document is not, and should not be used as an audit programme to update the audit documentation of an engagement started in a previous version of this product.

This is the first update to this Knowledge Coach title. 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 2013 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.

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 NOTES

Important Note for Customers updating binders from 2011 Knowledge Based Audits: International Audits

You must install Engagement 6.11 and Knowledge Coach 1.11 before updating to the 2013 Knowledge Based Audits: International Audits. Engagement 6.11 and Knowledge Coach 1.11 are required to use the 2013 Knowledge-Based Audits: International Audits. For more information on Engagement 6.11 and Knowledge Coach 1.11, review the Release Notes and associated Knowledge Base article at the following link: <http://support.cch.com/updates/KnowledgeCoach/>.

You must also install the Knowledge Coach December Update before you download and install this Knowledge Coach title. For Knowledge Coach 1.11, this update fixes issues that occur when copying Knowledge Coach workpapers from a binder located in one bin into a binder that is located in another bin. It also fixes an issue where certain binders created in an Engagement version prior to 6.8 will not retain all selected answers when updating to the new clarified title versions. Knowledge Coach December Update is available at : <http://support.cch.com/updates/KnowledgeCoach/>

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.

The **2013 Knowledge-Based Audits: International Audits** has been updated to help auditors conduct audit engagements in accordance with the ISAs. The 2013 tools include links to specific guidance that provides instant access to detailed analysis related to the steps and processes discussed in the workpapers. Also included is access to a financial statement disclosures checklist tool that provides a centralised resource of the current required and recommended accounting disclosures and key presentation items under International Financial Reporting Standards (IFRS).

The 2013 edition of *Knowledge-Based Audits: International Audits* is current through International Standard on Auditing (ISA) 610 (Revised), *Using the Work of Internal Auditors*, which addresses the external auditor's responsibilities if using the work of an internal audit function in obtaining audit evidence.

Specific Program Enhancements

For more information on specific program enhancements, review the 2013 International Overview for Knowledge Coach users available in the binder through the RES-KCO workpaper or at the following link:

http://support.cch.com/productsupport/productsupport.aspx?path=%2FTopics%2Fproduct_support%2Fpfx_office%2Fknowledge_coach#Guides

Additional Information on Knowledge Coach and the KBA Methodology

KBA Methodology

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 methodology;
- **Knowledge-Based Audit** documents, integral to the risk assessment and overall audit processes, which contain steps and procedures required by the ISAs;
- Customisable **Audit Programmes** 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 Programmes;
- **Auditor's Reports** that provide a variety of sample auditor's opinions on audited financial statements; and
- **Correspondence** documents that provide sample letters to be used to comply with ISA requirements and in many other common situations.

The International Auditing and Assurance Standards Board's (IAASB) Risk Assessment Standards - The practice aids and tools in the *2013 Edition of Knowledge-Based Audits: International Audits* are designed around the IAASB's risk assessment standards to assist auditors of non-public international entities by:

- Facilitating compliance with ISAs;
- Encouraging more effective audits through tailored audit programmes and comprehensive practice aids;
- Helping auditors to focus on and respond to identified audit risks; and
- 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 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**).

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.

Important Notes

- 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.
 - 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 sync in the same way other Engagement workpapers are shared.

System Requirements

- This title **MUST** be used with ProSystem *fx* Engagement version 6.11 and higher. If you are upgrading from ProSystem *fx* Engagement 6.0, 6.1, 6.1.2, 6.5, or 6.8 please contact Technical Support at 1-800-PFX-9998, option 4 for detailed instructions.
- A minimum of 4GB of RAM is required for optimal performance when opening and navigating through ProSystem *fx* Knowledge Coach documents.

Download Instructions

Download the *2013 Knowledge-Based Audits: International Audits* 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 **2013 Knowledge-Based Audits: International Audits**. 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 6.11 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 2013 Knowledge-Based Audits: International Audits (1/18/13).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 *2013 Knowledge-Based Audits: International Audits* titles, 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 unrelease a title:

1. Select a version of the KBA International Audits 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 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 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 *2013 Knowledge-Based Audits: International Audits* titles have been added and released, they 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 6.11 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 *2013 Knowledge-Based Audits: International Audits*.

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.

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.

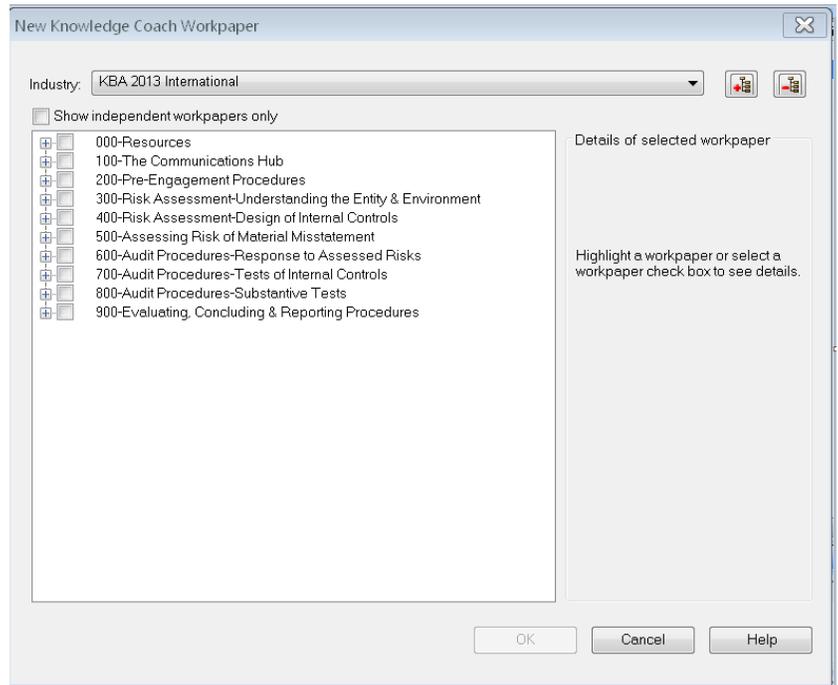


Figure 1 – New Knowledge Coach Workpaper

Download Description:	2013 Knowledge-Based Audits: International Audits (2/1/13)
Version:	Engagement v. 6.11 with Knowledge Coach or higher
Release Date:	January 2013
File size:	15MB
Approx. Download Time:	42 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>.