



ISC

Information Systems and Controls

CPA Exam Review

2026
Edition

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Keeping the course materials updated and accurate would not be possible without the contribution of our team of content experts. Our team includes academics and professionals who have expertise and experience in their respective fields; several have had experience at the Big Four or have PhDs in areas related to the exam. All are passionate about helping candidates pass the exam and about UWorld's dedication to creating the highest-quality materials.

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Introduction

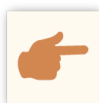
How to Best Use Your Course

Welcome to the UWorld CPA Review course! Our expert team is passionate about helping you succeed and has developed an award-winning program that is proven to yield results. Before you get started, please read through this guide on how to best use your course so that you can master all of the topics laid out for you in the AICPA Blueprints and ultimately pass the CPA Exam. At UWorld, our passion is to make the hard stuff easy to learn and understand.

Plan Your Studies

When preparing for the CPA Exam, half the battle is setting yourself up for success with a solid plan from the get go. This includes establishing short- and long-term goals to ensure you're staying on track.

To get started, use the Study Plan in your course. Start your plan by setting the beginning and ending dates for your schedule. Then select your pace (Fast Track versus Customize) and set the number of hours per day you will study. The system will create your plan based on your choices. It is important to follow your plan steadily so that you can ensure you hit your goals. If you miss a day, make it up!



Tip!

Download the app; this gives you access to everything your course offers even while on the go.

Master the Concepts through Active Learning

With this program, you will build your foundational knowledge and mastery of core exam topics through **active learning**. This evidence-based learning methodology centers around the principle that students retain information best when they actively participate in answering questions.

- **Begin with the Representative Task.** Read through each representative task carefully. (The Representative Tasks are from the AICPA Blueprints and are presented in our books and videos to guide you through the materials.) Pay particular attention to the words at the beginning of the task; they provide guidance on level and focus
- **Scan the book chapter.** Do you feel confident with the material? If you do, you might want to move directly to the questions and begin to practice. If you find that you are hesitant about an area, read the book or watch the video to solidify your understanding before you practice on some questions
- **Watch the videos.** If you prefer to absorb material on video rather than by reading the book, you will notice that the videos are deliberately set up in small segments. Our team created these segments so you can review what you need, either as part of the whole topic or for specific review of a smaller area
- **Practice the questions.** In our question bank (our QBank) we have taken great care to provide you with very high-quality questions and explanations. Each explanation not only tells you why the concept tested is important to understand but also teaches you why the answer is correct and why the other answer choices are not correct. Images, tables, definitions, and TBS Mastery videos also help fill in gaps as you use the questions and explanations to learn by doing

Track Your Progress and Performance

As you complete each chapter, track your progress and performance using our signature **SmartPath Predictive Technology™**. SmartPath is a data-driven platform that provides recommended targets based on those of previous students who have passed the CPA Exam. This is an important tool to help you study efficiently and gauge whether you are *exam-ready*. Your goal is to hit both your progress target (Questions Attempted) and performance target (Score) for each chapter.

As you work through the material, don't worry about hitting your "Score" target right away and focus your efforts on hitting the "Questions Attempted" target first. This approach may feel uncomfortable, but trust that you are building your knowledge as you absorb the answer explanations.

Once you've completed all the topics in a chapter, you can go back and focus your efforts on hitting the "Score" target. If you are falling short, drill down in the Performance tab to see which topics need extra attention.



Tip!

Don't over-study. **SmartPath™** helps determine when you can move on to the next topic.

Solidify the Concepts

Need extra help mastering the concept? Take advantage of the additional learning tools that are integrated into your course. For example, you could be working through a difficult question and find you need further explanation. No problem! There's a link to the supporting lecture right there in the question. Want to remember something for later review? You can easily transfer content directly from the question to a digital flashcard. These are just a few ways we make it easy for you to navigate to and access the right tools at the right time.

These additional tools are designed to enhance your studies—**you do not necessarily need to read or watch all of this material!** Rather, use these tools as a means to improve on any weak areas you might have:

- **Video Lectures** – From the Lectures tab or from the direct link at the bottom of each practice question, you have access to the profession's most motivating and effective lecturers. The lectures break down difficult topics into simplified concepts and provide helpful memory aids. These are especially recommended for visual and auditory learners
- **Textbooks** – The video lectures are accessible side by side with the digital eTextbooks or, in some of our course packages, a printed format. These guides can be used as a reference if you need further explanation of a concept. Many students also find it beneficial to follow along in the textbook while watching the lectures and taking notes, either directly in the physical books or by using the Notes feature and highlighting tool in the platform
- **Digital Flashcards** – Create custom flashcards directly from your practice questions by clicking on the lightning bolt symbol. Depending on your program package, your course may also be pre-loaded with an "Expert Deck" of flashcards covering the most heavily tested topics. You can review all your cards in Study Mode or by using our **spaced-repetition technology**. This is an evidence-based learning method that presents cards you've marked as *difficult* more frequently and cards you've marked as *easy* less frequently. The spacing of how and when the flashcards are introduced has been proven to increase retention and strengthen memory recall

Get Exam-Ready

The final days leading up to the exam are a critical time in which you're going to want to review your SmartPath data and ask, "Am I *exam-ready*?" If you have hit all the targets, you are in a really good spot. However, if any areas are still marked "Needs Improvement," now is the time to focus your efforts on meeting those targets.

We recommend you **take at least one full practice exam before exam day** (click on the "Exam Sim" tab in the QBank). This allows you to hone your test-taking skills in an exam-like environment that follows the same 5-testlet, 4-hour structure as the exam. The Exam Sim pulls questions from the QBank, and there is no limit to the number of times you can create an Exam Sim.

As a final step to assess your exam day readiness, we recommend you **take the full-length mock exam**. Curated with a unique set of questions not featured in the regular QBank, these practice tests are directly aligned to the content allocation and difficulty level of each CPA exam testlet. We recommend using this feature about 1–2 weeks before exam day.

AICPA Blueprints

The UWorld CPA Review course is based on the AICPA Blueprints, which show candidates what skills and content topics will be tested on the CPA Exam. You don't have to make tough decisions about what concepts to focus on. If you follow our methodology, you will be well on your way to passing the exam.

Let's take a look at what we mean by starting with the AICPA Blueprints. The Blueprints have four levels:

- Area
- Group
- Topic
- Representative Task

Each Representative Task also has a Skill level.

- Remembering & Understanding
- Application
- Analysis
- Evaluation (used only in AUD)

The Table of Contents of the book shows how each UWorld textbook is set up to follow the order of the AICPA Blueprints, with

- Area
- Group
- Topic

In the pages of each book, we provide the Representative Tasks from the AICPA Blueprints. We did that to make a direct connection between the exam and our content. Our team deliberately focused on what the Tasks say and wrote study materials that match with each Task. There is no closer connection between what will be tested and what you are studying.

Beyond connecting to the topics of the AICPA Blueprints, our team also differentiated the textbook content to match the Skill Levels of the Tasks.

- **Remembering & Understanding** tasks require you to understand the definitions and fundamentals of the topic. We have presented the information in these areas with an eye to creating clear explanations of the topics
- **Application** tasks are more about using your knowledge in scenarios to indicate that you understand the concepts. Our authors have therefore provided examples that show you how to apply your knowledge in specific situations. Many of these examples are similar to questions that you will find on the exam
- **Analysis** tasks require a higher level of thinking, many times requiring you to choose one outcome over another or to make a decision. On the exam, these tasks will always be addressed in Task-Based Simulations, or TBSs. The AICPA intentionally makes these more challenging to determine if you really know the material and can work with it as a professional. In our materials, our authors often guide you through the critical thinking required to work with TBSs
- **Evaluation** tasks are only in the AUD section of the exam and are at the highest level of thinking. They go a step further than the Analysis level and require you to evaluate or judge different approaches or outcomes

The CPA Exam

Within the AICPA Blueprints, there is information about how much time candidates have for each section and how many questions each section contains, categorized by question type. Question types include Multiple-Choice Questions (MCQs) and Task-Based Simulations (TBSs).

Section	Section Time	Multiple-Choice Questions (MCQs)	Task-Based Simulations (TBSs)
AUD – Core	4 hours	78	7
FAR – Core	4 hours	50	7
REG – Core	4 hours	72	8
BAR – Discipline	4 hours	50	7
ISC – Discipline	4 hours	82	6
TCP – Discipline	4 hours	68	7

Scoring Weight by Exam Section

The AICPA also shows candidates how the question types for each section are weighted and account for their overall score.

Section	Score Weighting	
	Multiple-Choice Questions (MCQs)	Task-Based Simulations (TBSs)
AUD – Core	50%	50%
FAR – Core	50%	50%
REG – Core	50%	50%
BAR – Discipline	50%	50%
ISC – Discipline	60%	40%
TCP – Discipline	50%	50%

Skill Allocations

As mentioned earlier, each Representative Task is tested at a specific Skill Level, and each part of the exam has its own weighting of the Skill Levels, as seen here.

Section	Remembering & Understanding	Application	Analysis	Evaluation
AUD – Core	30–40%	30–40%	15–25%	5–15%
FAR – Core	5–15%	45–55%	35–45%	–
REG – Core	25–35%	35–45%	25–35%	–
BAR – Discipline	10–20%	45–55%	30–40%	–
ISC – Discipline	55–65%	20–30%	10–20%	–
TCP – Discipline	5–15%	55–65%	25–35%	–

Content Allocations

The AICPA Blueprints address how coverage of the various content areas is allocated in each exam. Using the UWorld system that ties directly to the Blueprint structure, it is easy to see the extent to which each topic is covered.

AUD

Content Area		Allocation
Area I	Ethics, Professional Responsibilities, and General Principles	15–25%
Area II	Assessing Risk and Developing a Planned Response	25–35%
Area III	Performing Further Procedures and Obtaining Evidence	30–40%
Area IV	Forming Conclusions and Reporting	10–20%

FAR

Content Area		Allocation
Area I	Financial Reporting	30–40%
Area II	Select Balance Sheet Accounts	30–40%
Area III	Select Transactions	25–35%

REG

Content Area		Allocation
Area I	Ethics, Professional Responsibilities, and Federal Tax Procedures	10–20%
Area II	Business Law	15–25%
Area III	Federal Taxation of Property Transactions	5–15%
Area IV	Federal Taxation of Individuals	22–32%
Area V	Federal Taxation of Entities (including tax preparation)	23–33%

BAR

Content Area		Allocation
Area I	Business Analysis	40–50%
Area II	Technical Accounting and Reporting	35–45%
Area III	State and Local Governments	10–20%

ISC

Content Area		Allocation
Area I	Information Systems and Data Management	35–45%
Area II	Security, Confidentiality, and Privacy	35–45%
Area III	Considerations for System and Organization Controls (SOC) Engagements	15–25%

TCP

Content Area		Allocation
Area I	Tax Compliance and Planning for Individuals and Personal Financial Planning	30–40%
Area II	Entity Tax Compliance	30–40%
Area III	Entity Tax Planning	10–20%
Area IV	Property Transactions (disposition of assets)	10–20%

Exam Testlets

Each section of the exam is divided into five testlets. Two testlets cover MCQs and three testlets cover TBSs. Not all sections have an equal number of MCQs and TBSs, as the following chart shows.

Section	Testlet					Total	
	1 MCQ	2 MCQ	3 TBS	4 TBS	5 TBS	MCQ	TBS
AUD – Core	39	39	2	3	2	78	7
FAR – Core	25	25	2	3	2	50	7
REG – Core	36	36	2	3	3	72	8
BAR – Discipline	25	25	2	3	2	50	7
ISC – Discipline	41	41	1	3	2	82	6
TCP – Discipline	34	34	2	3	2	68	7

Finally, to manage your time effectively in the exam, we recommend that you:

- Use 75 seconds per multiple-choice question as a benchmark,
- Allocate 15–20 minutes per task-based simulation, depending on complexity, and
- Take the standard 15-minute break after the third testlet; it doesn't count against your time.

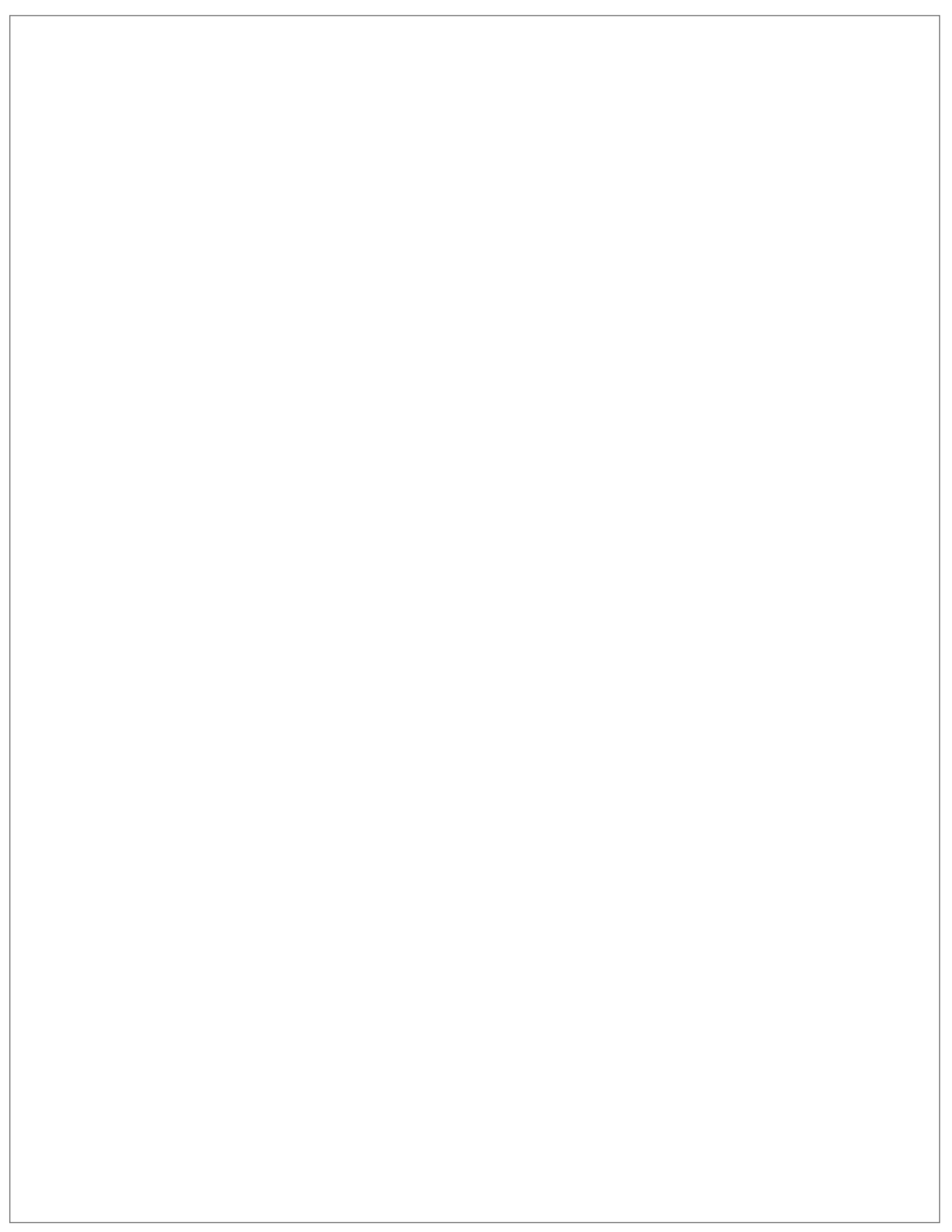
To see the full AICPA Blueprints, visit the AICPA website.

Above all, start the study process with confidence! As Roger always says, "You do not have to be a genius to pass the CPA Exam. If you study, you will pass!" You've got this.



ISC

**Considerations for System
and Organization Controls
(SOC) Engagements**





ISC 1
SOC Planning
and Performing

ISC 1: SOC Planning and Performing

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1.01 Introduction to SOC Engagements

SOC Suite of Services

We present blueprint Area III at the beginning of this book as the content is important to understanding the representative tasks in blueprint Areas I and II. Area III's representative tasks cover planning, performing, and reporting on System and Organization Controls (SOC) examinations. Areas I and II require the application of SOC knowledge.

SOC Report Categories

The AICPA's SOC Suite of Services offers three categories of engagements:

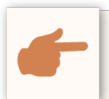
AICPA SOC Suite of Services

SOC for Service Organizations

SOC for Cybersecurity

SOC for Supply Chain

- **SOC for Service Organizations (SOC 1[®], SOC 2[®], SOC 3[®]):** System-level controls at a service organization supplying outsourced services.
- **SOC for Cybersecurity:** An entity's cybersecurity risk management program.
- **SOC for Supply Chain:** System-level controls at an entity that produces, manufactures, or distributes products.



Most of Area III's representative tasks focus on SOC for Service Organizations because those examinations are performed most often. Appendix B and C present examples of SOC 1[®] and SOC 2[®] reports. Reading those reports prior to, during, and after this chapter is recommended.

Each of the SOC offerings is unique, with different answers to the following questions:

- Who are the intended report users?
- What standards and guidance apply?
- What subject matter is being examined?
- Which criteria are suitable?
- What information does the report include?

Attestation Standards

The **SOC Suite of Services** comprises attestation engagements performed according to the AICPA's **Statements on Standards for Attestation Engagements (SSAE Nos. 18, 20, and 21)**.

The relevant attestation standards are AT-C 105, AT-C 205, and AT-C 320. While AT-C 320 is specific to SOC 1®, parts of its guidance may also be helpful in other SOC examinations.

SOC engagements are **assertion-based examinations**. AT-C 105 provides that:

- An assertion is a declaration about whether a subject matter complies with criteria.
- In an assertion-based examination, a responsible party measures or evaluates a subject matter against criteria and provides an assertion about the outcome.
- A CPA expresses an opinion in a written report about whether:
 - The subject matter is in accordance with the criteria, or
 - The responsible party's assertion is fairly stated, in all material respects.

Therefore, the basic concept underlying all SOC examinations is the following:

The **responsible party** measures or evaluates the **subject matter** against **criteria** and provides an assertion about the outcome.

- **Responsible party:** Normally management or those charged with governance of the entity under examination, but must be a party who:
 - Takes responsibility for the subject matter and
 - Has a reasonable basis for making an assertion.
- **Subject matter:** An identifiable topic that can be:
 - Consistently measured or evaluated by applying criteria, and
 - Subjected to procedures to obtain evidence.
- **Criteria:** Benchmarks against which the subject matter can be measured or evaluated.

AT-C 205 states that a CPA's role in an assertion-based examination is to:

- **Obtain reasonable assurance** about whether the subject matter is free from material misstatement when measured or evaluated against criteria.
- **Express an opinion in a written report** about whether:
 - The subject matter is in accordance with (or based on) the criteria, in all material respects, or
 - The responsible party's assertion is fairly stated, in all material respects.