EXHIBIT 3
Roadmap for Applying Principles in Achieving Effective Internal Control in Small Businesses

Control Environment
- *Integrity and ethical values*
- Board of directors
- Management's philosophy and operating style
- *Organizational structure*
- Financial reporting competencies
- *Authority and responsibility*
- *Human resources*

Risk Assessment
- Financial reporting objectives
- Financial reporting risks
- *Fraud risk*

Control Activities
- *Integration with risk assessment*
- *Selection and development of control activities*
- *Policies and procedures*
- Information technology

Information and Communication
- Financial reporting information
- *Internal control information*
- *Internal communication*
- External communication

Monitoring
- *Ongoing and separate evaluations*
- Reporting deficiencies

Note: Adapted from Internal Control over Financial Reporting—Guidance for Smaller Public Companies, *COSO, 2006.*