



## COSO Framework on the Organizational Performance of Convenience Stores in the City of Baliwag, Bulacan

**Mark Joseph S. Sarrondo<sup>1</sup>, Ira D.C. De Leon<sup>2</sup>, Carl Andrew V. Marcelo<sup>3</sup>, Elaine T. Rodriguez<sup>4</sup>, Loris R. Ventanilla<sup>5</sup>, Bryan DC. Gabriel, PhD<sup>6</sup>, Jomar V. Villena, CPA<sup>7</sup>, Francis Allan C. Bernales, MBA<sup>8\*</sup>**

<sup>1,2,3,4,5</sup> 3<sup>rd</sup> Year BSA, National University Philippines, School of Business and Accountancy, Baliwag City, Bulacan, 3006, Philippines

<sup>6</sup>Assistant Professor III, National University Philippines, Baliwag City, Bulacan, 3006, Philippines

<sup>7</sup>Instructor, National University Philippines, Baliwag City, Bulacan, 3006, Philippines

<sup>8</sup>Instructor, National University Philippines, Baliwag City, Bulacan, 3006, Philippines

### ABSTRACT

The Philippine retail industry expansion requires more convenience stores to support urban areas including Baliwag, Bulacan. The evaluation of internal control systems in these stores has not been extensively studied. This study evaluates the impact of the Committee of Sponsoring Organizations (COSO) Framework on organizational performance in convenience stores located throughout Baliwag, Bulacan. It examines the organizational performance effects which result from the five COSO components including Control Environment, Risk Assessment, Control Activities, Information and Communication, and Monitoring Activities. This study utilized descriptive-correlational research while conducting cluster sampling to select participants from the barangays with most convenience stores. Statistical data collection used a 4-point Likert survey measuring variables while descriptive statistics combined with Pearson's correlation analysis provided the method of analysis. The result shows that all of the components of COSO Framework have significant influence on the organizational performance of the convenience stores. Internal controls at convenience stores demonstrate strong effectiveness especially in areas of ethical business practices alongside risk management and bookkeeping. A whole COSO-based system of internal controls transforms business operations into a more efficient and sustainable entity. The document suggests ethical training programs and improved risk assessments as well as standardized bookkeeping practices and enhanced monitoring systems for all programs. The improved operational stability and retail competitiveness stem from these updates in the evolving retail environment..

**Keywords:** *Cluster Sampling, Convenience Stores Managers and Personnel, Coso Framework, Descriptive-Correlational Approach, Organizational Performance*

### INTRODUCTION

The retail industry in the Philippines has expanded significantly, with convenience stores becoming increasingly important in satisfying consumers' immediate requirements. These stores, which are distinguished by their accessibility, extended opening hours, and diversified product offers, provide significant contributions to the local economy, particularly in densely populated places such as Baliwag, Bulacan. Due to the highly competitive landscape in which the consumer needs also keep changing, convenience store operators are required to have strong systems of internal control in order to meet the efficiency received in fighting fraud and maximizing the overall performance of the organization. One of the most used approaches for developing and evaluating the internal control system is the Committee of Sponsoring Organizations (COSO) framework (COSO, 2013).

Despite the expanding importance of convenience stores in the Philippine retail sector, there is not a lot of research on the use and influence of the COSO framework on these firms' organizational performance, particularly in specific locations such as Baliwag, Bulacan. Usually, internal general control principles need to be flexible considering the peculiarities in which convenience stores operate and most likely engage a small labor force. However, this flexibility may require a quite different approach in applying the COSO framework. The "gap" in research today exists in practical information on how the COSO framework would be modified and applied most effectively to resolve specific challenges and opportunities that convenience stores in the Philippines have been grappling with. It is not clear how many convenience stores in Baliwag, Bulacan, have implemented the COSO framework or which of its individual components have become the most critical for improving organizational performance.

Setyawan et al. (2021) conducted a study to evaluate the implementation of internal control compliance in SMEs of the food and beverage character within the COSO framework. While this research revealed discrepancies with the theoretical internal control frameworks and the practical implementation in the field, the aspect called 'Control Activities' was commonly underrated by the involved organizations, thus leading to regularities and negligence in

their operations. Hence, it suggests that the SME, particularly small retail concerns like convenience stores, may experience some difficulties in implementing the COSO framework, to the detriment of their organizational performance.

"To win in the marketplace, first win in the workplace," as stated by Douglas Conant. This view underscores the necessity of a solid internal culture as a prerequisite for success. Such a view is central to the findings of Muhammad A. and Irumba A. (2023), which conclude that elements of an internal control system—specifically, the control environment, monitoring, and control activities—positively influence organizational performance at Post Bank. Higher control environments, monitoring systems, and control activities are positively correlated with increased organizational performance. One unit change in these elements of internal control can positively affect the performance of an organization.

The focus of this study is to investigate the influence of COSO framework and the performance of convenience stores in Baliwag, Bulacan through the exploration of how the convenience stores implement the COSO framework and how this in turn affects various key performance indicators with particular reference to profitability, operational efficiency, and customer satisfaction, this study is expected to provide useful information to convenience store operators, policymakers, and researchers. This study's new findings will help researchers better understand how internal control systems may be used to improve the performance and sustainability of convenience stores in the Philippines. It will also provide practical guidelines for tailoring the COSO framework to the specific needs of these firms, resulting in increased efficiency, transparency, and accountability in the retail sector.

## THEORETICAL FRAMEWORK

### COSO 2013 Internal Control – Integrated Framework

The study is supported by the COSO Internal Control Framework (2013) as its theoretical framework. This framework essentially provides the basic structure for understanding and examining the internal control-organizational performance relationship. More explicitly, the study will look at how the five components of the COSO framework - Control Environment, Risk Assessment, Control Activities, Information and Communication, and Monitoring Activities - are integrated and implemented in convenience stores in Baliwag, Bulacan, integrating that to their key performance indicators.

The theoretical link between strong internal controls and improved organizational outcomes lends support to this framework. According to the literature review, the potential effects of effective internal control systems on certain performance indicators, such as profitability, operational efficiency, and customer satisfaction, have been documented. Such studies have tended to favor larger organizations until this one followed the same methodology for small convenience stores, which attests to the importance of adapting and tailoring it to this specific industry.

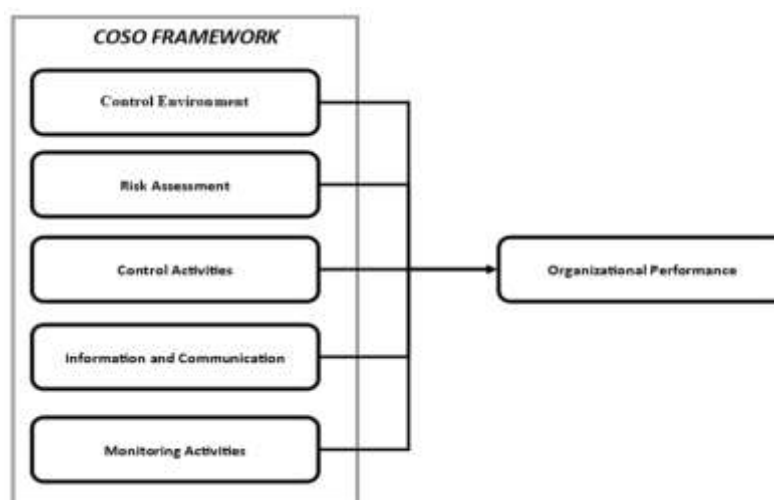
This framework states that applying the components of the COSO framework to the environment of convenience stores in Baliwag, Bulacan, will yield an increased profitability, operational efficiency, and customer satisfaction. The study will indicate how this implementation happens and the extent of impact on these performance indicators.

### Contingency Theory

Contingency Theory assumes that there is no single best way to manage an organization; rather, performance depends on the fit between an organization's structure and its environment. Applied in convenience stores, the theory suggests that internal control systems have to be aligned to store size, competition, customer demand, and managerial capacity. Stores with control mechanisms that are well-aligned to their unique challenges perform better (Frazer, 2016)CONCEPUTAL FRAMEWORK

**Figure 1**

*Conceptual Framework*



The conceptual framework model used in this study is the Causal Framework. The five essential components belonging to the COSO Framework are control environment, risk assessment, control activities, information and communication, and monitoring activities. They are considered as the factors of the independent variable which is the COSO Framework. On the other hand, the study proposed organizational performance as the dependent variable. This study analyzed the impact of COSO Framework in the organizational performance of convenience stores in Baliwag, Bulacan.

Control Environment is the structure of an organization that promotes an internal control system, set by ethical values, leadership integrity, and governance structures. Risk Assessment is the process by which risks are identified and analyzed that directly impact the organizational objectives. Control Activities are policies and procedures which ensure that directives are properly executed. Information and Communication includes the gathering, processing, and distribution of the relevant information needed for making a decision. Finally, Monitoring Activities are the well-timed evaluations of the soundness of internal controls.

---

## RESEARCH QUESTIONS

1. How may the COSO Framework of convenience stores in the City of Baliwag, Bulacan be described in terms of:

1.1 Control Environment

1.2 Risk Assessment

1.3 Control Activities

1.4 Information and Communication

1.5 Monitoring Activities

2. How may the organizational performance of convenience stores in the City of Baliwag, Bulacan be described?

3. Do COSO Framework significantly influence the organizational performance of convenience stores in the City of Baliwag, Bulacan be described?

---

## HYPOTHESIS

The study was guided and tested by the hypothesis below:

COSO Framework does not significantly influence the organizational performance of convenience stores in the City of Baliwag, Bulacan

---

## SIGNIFICANCE OF THE STUDY

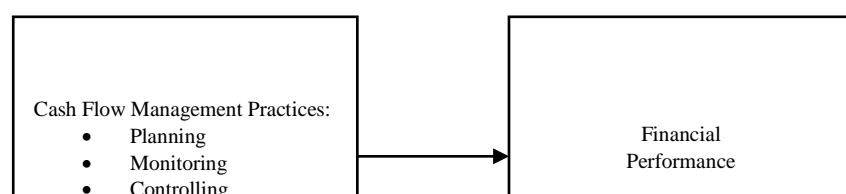
This study provides valuable contributions to various stakeholders. The findings of this study may provide important knowledge to convenience store owners on how the COSO framework may enhance the organizational performance of their respective stores. For employees, it may provide insights into how applying the core elements of COSO may improve their productivity and overall work environment. Furthermore, the results of this study may contribute to the advancement of the retail industry by providing essential insights to convenience store owners, managers, and employees, thereby cultivating better business practices, healthy competition, and long-term economic growth in the industry. Lastly, future researchers seeking to investigate similar frameworks and their significance across various sectors may use this study as a foundation for exploring internal control systems and addressing gaps that previous studies may have overlooked.

---

## SCOPE AND DELIMITATION

Every successful business operation depends on its internal control and effective internal control is crucial for businesses like convenience stores, given their importance in the local economy of Baliwag City. The main purpose of this research was to investigate how integrating the COSO Framework in internal control can influence the organizational performance of convenience stores in Baliwag City, Bulacan. Specifically, it sought to investigate each internal control component of the COSO Framework: (1) control environment, (2) risk assessment, (3) control activities, (4) information and communication, and (5) monitoring activities and their relations on the overall business operations and performance.

This study is limited to convenience stores located in the City of Baliwag, Bulacan, and does not include other types of retail businesses such as supermarkets, department stores, and specialty stores. Additionally, it is not focused on investigating external factors; rather, it focused on the internal control factors under the COSO Framework. Cluster sampling was employed to divide the population of convenience stores in Baliwag, Bulacan, into smaller groups in each barangay and then randomly select some of the owners, managers, and key personnel of convenience stores in the selected barangays. Data collection took place in the City of Baliwag, Bulacan, from April 17 to April 22, 2025. Questionnaires for surveys modified from Aisha, M., & Rumba, A. The researchers used Hamour et al. (2021) and (2023) in a quantitative manner. A 4-point Likert scale is used to measure the response. Finally, statistical analysis was performed to evaluate the variables' correlation.



---

## RESEARCH DESIGN

The study utilized a descriptive quantitative research approach to analyze how the COSO Framework affected the organizational performance of convenience stores in the City of Baliwag, Bulacan. The current internal control procedures were described using a descriptive approach, while the relationship between internal controls and business performance is evaluated using a correlational approach. It is proper because it permits the researcher to examine the extent to which internal control components influence organizational outcomes without manipulating any variables (COSO, 2013). The study was conducted on convenience stores in Baliwag, Bulacan. The primary participants of the study included the managers and personnel of the stores who directly deal with the operations and financial management of the business (Muhammad & Irumba, 2023). The data collection was based on a 4-point Likert scale instrument, which is an adaptation of the study by Aisha & Rumba, (2023), "Internal Control System and Organizational Performance, A Case Study of Post Bank Kakiri Branch", and the study by Hamour et al. (2021) on "The impact of COSO control components on the financial performance in the Jordanian banks and the moderating effect of board independence", to interpret the mean score. The participants were asked to provide an informed written consent before data collection, which assures them of their voluntary participation and confidentiality. All of the data collected will be used solely for research purposes.

---

## RESPONDENTS

### Population and Research Sample

The target population consists of convenience store managers and personnel of convenience stores in the City of Baliwag, Bulacan. These respondents provide a crucial role in decision making, store operations, and compliance with internal control systems making them a valuable respondent for this study.

This study involved the Top 3 to 5 Barangays with the greatest number of convenience stores in the City of Baliwag, Bulacan, ensuring various representation of different convenience stores in the city.

### Sampling Selection and Recruitment

To ensure a different representation of convenience stores in various locations in the City of Baliwag, Bulacan, this study utilized a cluster sampling. The city was divided into several clusters based on barangays, grouping convenience stores accordingly. From these clusters, a predetermined number of stores were randomly sampled for participation in the study. This method has been chosen to enhance efficiency in data collection while ensuring that the sample reflects the diverse business environments within the city. Furthermore, cluster sampling allows the researcher to consider many stores within selected clusters for generalization without detailed data collection from all convenience stores in Baliwag.

The final sample size depends on the number of convenience stores in the selected clusters to ensure that the study has enough respondents in the retrieval of meaningful research results. The above-selected stores were requested to have store managers, supervisors, and employees fill out surveys or be interviewed for data about their internal control systems and the organization's performance.

---

## INSTRUMENT

A survey questionnaire was used in this study as the data collection tool. Organizational performance, control environment, control activities, information and communication, risk assessment, and monitoring are the six sections that make up the survey.

The mean score is interpreted using a 4-point Likert scale that was modified from the studies of Hamour et al. (2021) titled "The Impact of the COSO Control Components on the Financial Performance in the Jordanian Banks and the Moderating Effect of Board Independence" and Aisha & Rumba (2023) titled "Internal Control System and Organizational Performance, A Case Study of Post Bank Kakiri Branch."

The choices are identified as follows:

4 – Strongly Agree

3 – Agree

2 – Disagree

1 – Strongly Disagree.

The instrument for the COSO Framework is tested using Cronbach's alpha. The tool used for the Control Environment resulted in a score of 0.96, which means very reliable. The instruments used for the Risk Assessment is valued at 0.70, and Control Activities is valued at 0.71, reflecting that both instruments are reliable. Furthermore, the tools used for Information and Communication is measured at 0.90, Monitoring Activities is valued at 0.85, and Organizational Performance also results in a score 0.85, which means that the instruments are very reliable.

## DATA GATHERING PROCEDURE

Initially, the researchers asked permission from the municipality of Baliwag to secure the definite amount of the total convenience stores from each barangay. Such data will be indispensable in assessing the required sample size for this research. Once approval from the municipality is granted and the number of stores to be surveyed is obtained, the researchers will proceed to identify the managers and personnel of the convenience stores to seek permission for the survey.

A formal letter requesting their assistance in the administration of the questionnaire was generated. The letter also contains statements that assure the respondent about the confidentiality and sole purpose of their responses for this study. After permission has been granted, respondents proceed to fill out the survey questions covering the components of COSO framework and their influences on Organizational Performance. Researchers analyzed the completed surveys and verified whether the data collected is adequate to form a sample size.

In the end, the researchers reviewed the questionnaires collected and draw conclusions and insights that agree with the aim of the study, especially on the application of the COSO framework for defining an improvement in the organizational performance of convenience stores in Baliwag, Bulacan

## DATA ANALYSIS

Once the data has been collected, it is analyzed and tabulated using statistical tools. This study utilized a descriptive and inferential statistical tool. Descriptive statistics was used in analyzing the responses of the respondents with regards to control environment, risk assessment, control activities, information and communication, and monitoring activities. On the other hand, Pearson's R. Correlation Analysis was used in determining the significant influence of the COSO framework on the Organizational Performance of the convenience stores.

## ETHICAL CONSIDERATIONS

Ethical considerations are essential bases in research to ensure that the participants' rights are protected and uphold credibility. Critical ethical issues include the right to conduct the study, obtaining informed consent from the respondents and ensuring data confidentiality.

Researchers must seek permission first from the store owners or managers of the convenience stores in the City of Baliwag, Bulacan, before collecting data. Participants should be fully informed about the study's purpose and benefits, be aware of how their data will be used and have the freedom to decide on participating and shall not be compelled. The first page of the research instrument shall have the respondent's approval, and that they are voluntarily willing to participate. Participants can wish to withdraw at any time and shall be informed that their identity is protected.

Participants' data shall be handled with confidentiality to prevent breach and also protect anonymity. Personal identifying information shall not be reported in the results or any report to ensure that the participants' privacy is safeguarded. Adhering to these ethical guidelines ensures the integrity and reliability of the research.

## RESULTS AND DISCUSSION

This part of the study summarizes the findings and analysis based on the insights from the managers and personnel of convenience stores in selected barangays of Baliwag, Bulacan, focusing on the application of the COSO framework and its contribution to organizational performance. The approach utilized both descriptive and inferential statistics to examine the perceptions of control environment, risk assessment, control activities, information and communication, and monitoring activities as working, and how the said components of the COSO framework correlate with the performance of the organization.

**Table 1**

*Descriptive Measures of the COSO Framework of Convenience Stores in the City of Baliwag, Bulacan in terms of Control Environment*

No.	Control Environment		1	2	3	4	MEAN	SD	VI
1	Ethics are highly practice in performance	f	-	1	9	20	3.63	0.556	SA
		%	-	3.3	30.0	66.7			
2	There is integrity in management	f	-	1	13	16	3.50	0.572	SA
		%	-	3.3	43.4	53.3			
3	Ethical guidance is provided to staff	f	-	1	17	12	3.37	0.556	SA
		%	-	3.3	56.7	40.0			
4		f	-	4	17	9	3.17	0.648	A

	The vision and mission of the organization is well-defined	%	-	13.3	56.7	30.0			
5	The lines of authority are clear with accountability channels known to staff	f	-	1	14	15	3.47	0.571	SA
		%	-	3.3	46.7	50.0			
6	Supervisors identify daily routine and short-term employee deficiencies for correction	f	-	1	15	14	3.43	0.568	SA
		%	-	3.3	50.0	46.7			
7	Staff performance appraisal is carried out	f	-	1	16	13	3.40	0.563	SA
		%	-	3.3	53.3	43.3			
<b>OVERALL</b>							<b>3.42</b>	<b>0.577</b>	<b>SA</b>

**LEGEND:**

SCALE: VERBAL INTERPRETATION:

3.25 – 4.00 Strongly Disagree (SA)

2.50 – 3.24 Agree (A)

1.75 – 2.49 Disagree (D)

1.00 – 1.74 Strongly Disagree (SD)

Table 1 shows descriptive measures of the COSO Framework's Control Environment in convenience stores in Baliwag, Bulacan. According to the table, "Ethics are highly practiced in performance" received the highest mean score of 3.63, suggesting that respondents strongly agree that ethical practices are pervasive. Conversely, "The vision and mission of the organization is well-defined" comes first with the least mean score of 3.17. This clearly indicates that there is room for growth in effectively communicating the organization's vision and objectives. The overall mean score for the Control Environment has been computed to 3.42, which puts the control environment in the category of "Strongly Agree" (SA). According to this, the control environment is considered positively within such convenience stores.

It is supported by the Contingency Theory (Frazer, 2016) which assumes that there is no single best way to manage an organization; rather, performance depends on the fit between an organization's structure and its environment.

**Table 2***Descriptive Measures of the COSO Framework of Convenience Stores in the City of Baliwag, Bulacan in terms of Risk Assessment*

No.	Risk Assessment		1	2	3	4	MEAN	SD	VI
1	The convenience store is concerned with internal risk sources	f	-	1	14	15	3.47	0.571	SA
		%	-	3.3	46.7	50.0			
2	The convenience store is concerned about external risk sources	f	-	-	13	17	3.57	0.504	SA
		%	-	-	43.3	56.7			
3	The convenience store manages the risk of data distortion and reduces this threat	f	-	4	18	8	3.13	0.629	A
		%	-	13.3	60.0	26.7			
4	The management assesses the possibility of current or future risks	f	-	1	18	11	3.33	0.547	SA
		%	-	3.3	60.0	36.7			
5	Risks of each management are assessed separately	f	-	1	16	13	3.40	0.563	SA
		%	-	3.3	53.3	43.3			
6	Risks indicators are guiding keys to avoid or reduce risks	f	-	-	18	12	3.40	0.498	SA
		%	-	-	60.0	40.0			
7	Manages the risk sources in order to eliminate them	f	-	1	11	18	3.57	0.568	SA
		%	-	3.3	36.7	60.0			

8	Management develops a preventive plan to avoid damage caused by risks	f	-	-	14	16	3.53	0.507	SA
		%	-	-	46.7	53.5			
<b>OVERALL</b>							<b>3.43</b>	<b>0.550</b>	<b>SA</b>

**LEGEND:**

SCALE: VERBAL INTERPRETATION:

3.25 – 4.00 Strongly Disagree (SA)

2.50 – 3.24 Agree (A)

1.75 – 2.49 Disagree (D)

1.00 – 1.74 Strongly Disagree (SD)

Table 2 shows descriptive measures for the COSO Framework's Risk Assessment component at convenience stores in Baliwag, Bulacan. The highest mean score, 3.57, was shared by two items: "The convenience store is concerned about external risk sources" and "Manages the risk sources in order to eliminate them." This indicates that respondents strongly agree that these stores prioritize addressing both external threats and actively removing risk sources. Conversely, the lowest mean score was 3.13 for "The convenience store manages the risk of data distortion and reduces this threat," indicating that this area may require additional attention or improvements. The total mean for Risk Assessment was determined to be 3.43 under the Strongly Agree grading; hence, this shows that, in general, respondents felt that convenience stores are one step ahead of risk assessment, although there is room for improvement.

These findings are supported by the study of Yahaya et al. (2015), which explored the correlation between risk management and organizational performance in deposit money banks in Nigeria. Their study proves that organizations with systematic processes when managing and eliminating risks have been found to have better organizational performance. This also aligns with what has been observed with convenience stores in Baliwag, Bulacan, where risk assessment practices are used to identify and mitigate risk sources.

**Table 3***Descriptive Measures of the COSO Framework of Convenience Stores in the City of Baliwag, Bulacan in terms of Control Activities*

No.	Control Activities		1	2	3	4	MEAN	SD	VI
1	Assess lock systems have been installed	f	-	-	16	14	3.47	0.507	SA
		%	-	-	53.3	46.7			
2	Duties for each staff are well specified and segregated	f	-	1	13	16	3.50	0.572	SA
		%	-	3.3	43.3	53.3			
3	Proper bookkeeping is ensured	f	-	-	7	23	3.77	0.430	SA
		%	-	-	23.3	76.7			
4	Internal auditors exist	f	-	-	10	20	3.67	0.479	SA
		%	-	-	33.3	66.7			
5	Authorization is required for every activity	f	-	-	12	18	3.60	0.498	SA
		%	-	-	40.0	60.0			
6	Organization attracts staff of integrity	f	-	-	9	21	3.70	0.466	SA
		%	-	-	30.0	70.0			
<b>OVERALL</b>							<b>3.62</b>	<b>0.494</b>	<b>SA</b>

**LEGEND:**

SCALE: VERBAL INTERPRETATION:

3.25 – 4.00 Strongly Disagree (SA)

2.50 – 3.24 Agree (A)

1.75 – 2.49 Disagree (D)

1.00 – 1.74 *Strongly Disagree (SD)*

Table 3 shows descriptive measures for the COSO Framework's Control Activities component at convenience stores in Baliwag, Bulacan. The highest mean score, 3.77, was found for "Proper bookkeeping is ensured," suggesting that respondents strongly believe that this control activity is properly implemented. The lowest mean score, 3.47, was recorded for "Assess lock systems have been installed," implying that, while still in the "Strongly Agree" category, this area may be seen as slightly less strong than others. The overall mean for Control Activities was determined to be 3.62, which is within the "Strongly Agree" (SA) range. This shows that there is a strong sense of the control operations that take place within these convenience stores.

It is supported by the study of Obafemi, T. O., & Oladeji, I. O. (2023) which illustrates how internal control activities and the control environment's impact organizational performance. Internal control activities have found that it has a positive impact on organizational performance through more transparency, better decision making, and increased compliance. This goes along with the findings of this research, given that it has properly executed control activities such as maintaining proper bookkeeping and having an organization filled with staff of integrity.

**Table 4**

*Descriptive Measures of the COSO Framework of Convenience Stores in the City of Baliwag, Bulacan in terms of Information and Communication*

No.	Information and Communication		1	2	3	4	MEAN	SD	VI
1	There is a method of information collection from external sources to evaluate its importance to the convenience store	f	-	1	11	18	3.60	0.568	SA
		%	-	3.3	36.7	60.0			
2	Periodic reports are made on the quality of information	f	-	-	14	16	3.60	0.507	SA
		%	-	-	46.7	53.3			
3	There is an evaluation of the process of appropriate information delivery to users	f	-	-	12	18	3.53	0.498	SA
		%	-	-	40.0	60.0			
4	The information is sent from each department separately, delivered to senior departments sequentially	f	-	-	15	15	3.47	0.509	SA
		%	-	-	50.0	50.0			
5	Responding to the department needs of information in time	f	-	1	11	18	3.47	0.568	SA
		%	-	3.3	36.7	60.0			
6	There is a plan for finding errors in financial and operational reports and managing them	f	-	1	18	11	3.47	0.547	SA
		%	-	3.3	60.0	36.7			
7	There are different levels of reports issued by the accounting system and may be delivered to the department at in time	f	-	1	10	19	3.53	0.563	SA
		%	-	3.3	33.3	63.3			
8	Information is checked and sent to the direct manager to approve issuance personally	f	-	1	12	17	3.60	0.571	SA
		%	-	3.3	40.0	56.7			
<b>OVERALL</b>							<b>3.58</b>	<b>0.542</b>	<b>SA</b>

**LEGEND:**

SCALE: VERBAL INTERPRETATION:

3.25 – 4.00 *Strongly Disagree (SA)*

2.50 – 3.24 *Agree (A)*

1.75 – 2.49 *Disagree (D)*

1.00 – 1.74 *Strongly Disagree (SD)*

Table 4 shows descriptive measures for the COSO Framework's Information and Communication component at convenience shops in Baliwag, Bulacan. Three items have the highest mean score of 3.60: "There is a method of collecting information from external sources to evaluate its importance to the convenience store," "Periodic reports on the quality of information," and "Information is checked and sent to the direct manager to personally approve issuance." This indicates that respondents strongly agree that these aspects of information and communication are well-implemented. The lowest mean score, 3.47, is shared by three items: "The information is sent from each department separately, delivered to senior departments sequentially," "Responding



to the department needs of information in time," and "There is a plan for finding errors in financial and operational reports and managing them." While these areas remain in Strongly Agree, they do suggest areas where perhaps there is slight inconsistency or perception of ineffectiveness in regard to informing. The overall mean for Information and Communication was found to be 3.58 and as such fell within the Strongly Agree (SA) range. This indicates a fairly positive outlook toward the gathering, processing, and dissemination of information in these convenience stores.

This assertion is supported by the study of Borrás (2020) on internal business control systems in small Puerto Rican retail businesses, which stresses the importance of functioning information and communication aspects. The investigation proves that a well-designed internal control system combined with proper information flow and communication channels is essential for preventing occupational fraud and enhancing the performance of any organization. This finding further validates the positive impressions observed in the Baliwag convenience stores, implying that good information and communication practices are part and parcel of effective internal control systems.

**Table 5**

*Descriptive Measures of the COSO Framework of Convenience Stores in the City of Baliwag, Bulacan in terms of Monitoring Activities*

No.	Monitoring Activities		1	2	3	4	MEAN	SD	VI
1	There is effective monitoring of proper use of resources	f	-	1	14	15	3.47	0.571	SA
		%	-	3.3	46.7	50.0			
2	Management carries out a continuous performance monitoring process	f	-	-	14	16	3.53	0.507	SA
		%	-	-	46.7	53.3			
3	Management reviews staff performance according to the defined standards of the organization	f	-	-	7	23	3.77	0.430	SA
		%	-	-	23.3	76.7			
4	Monitoring is carried out by teams of monitors	f	-	-	15	15	3.50	0.509	SA
		%	-	-	50.0	50.0			
5	There are regular performance inspections	f	-	-	12	18	3.60	0.498	SA
		%	-	-	40.0	60.0			
<b>OVERALL</b>							<b>3.53</b>	<b>0.505</b>	<b>SA</b>

**LEGEND:**

SCALE: VERBAL INTERPRETATION:

3.25 – 4.00 Strongly Disagree (SA)

2.50 – 3.24 Agree (A)

1.75 – 2.49 Disagree (D)

1.00 – 1.74 Strongly Disagree (SD)

Table 5 shows descriptive measures for the COSO Framework's Monitoring Activities component at convenience shops in Baliwag, Bulacan. The highest mean score, 3.77, was recorded for "Management reviews staff performance according to the defined standards of the organization," suggesting that respondents strongly believe that performance reviews are carried out efficiently and in accordance with organizational norms. Although classified as Strongly Agree, the item 'Efficient monitoring is there with respect to proper usage of resources' had the lowest mean of 3.47, indicating that there is still room for improvement. The overall mean for Monitoring Activities totaled 3.53, which still falls under Strongly Agree (SA). This implies that these monitoring methods, particularly staff performance appraisals in convenience stores, generally create positive perceptions about them.

It is supported by the study of American Institute of Certified Public Accountants' (2009) on building a solid monitoring foundation, creating efficient monitoring protocols, and evaluating and disclosing findings. The survey highlights both areas where monitoring is viewed as strong, like staff performance reviews, and areas that need improvement, like efficient resource use. The COSO document provides comprehensive examples and suggestions for enhancing these areas, such as risk prioritization and the effective use of technology for monitoring. Internal control monitoring implementation strategies are provided in the COSO document.

**Table 6***Descriptive Measures of the Organizational Performance of Convenience Stores in the City of Baliwag, Bulacan*

No.	Organizational Performance		1	2	3	4	MEAN	SD	VI
1	Staff requirements are provided in a timely manner	f	-	-	12	18	3.60	0.498	SA
		%	-	-	40.0	60.0			
2	Duties of the organization are efficiently executed	f	-	-	12	18	3.60	0.498	SA
		%	-	-	40.0	60.0			
3	Programs are effectively implemented	f	-	-	14	16	3.53	0.507	SA
		%	-	-	46.7	53.3			
4	Programs are effectively competently implemented	f	-	1	14	15	3.47	0.571	SA
		%	-	3.3	46.7	50.0			
5	Programs are implemented with high effort	f	-	1	14	15	3.47	0.571	SA
		%	-	3.3	46.7	50.0			
6	Staff easily access their operational requirements	f	-	1	14	15	3.47	0.571	SA
		%	-	3.3	46.7	50.0			
7	There is improvement in the handling of projects	f	-	-	14	16	3.53	0.507	SA
		%	-	-	46.7	53.5			
8	Activities are performed excellently by staff	f	-	-	12	18	3.60	0.498	SA
		%	-	-	40.0	60.0			
<b>OVERALL</b>							<b>3.53</b>	<b>0.529</b>	<b>SA</b>

**LEGEND:**

SCALE: VERBAL INTERPRETATION:

3.25 – 4.00 Strongly Disagree (SA)

2.50 – 3.24 Agree (A)

1.75 – 2.49 Disagree (D)

1.00 – 1.74 Strongly Disagree (SD)

Table 6 shows the descriptive measures of organizational performance for convenience stores in Baliwag, Bulacan. Three items have the highest mean score of 3.60: "Staff requirements are provided in a timely manner," "Duties of the organization are efficiently executed," and "Activities are performed excellently by staff." This indicates that respondents strongly agree that these aspects of organizational performance are highly valued. The lowest mean score, 3.47, is shared by three items: "Programs are effectively competently implemented," "Programs are implemented with high effort," and "Staff easily access their operational requirements." Although these are still under "Strongly Agree," they indicate areas that might not be entirely consistent or perceived as less effective on how programs are executed, and staff accesses their business needs. The mean score for Organizational Performance determined by the survey was 3.53, which falls under "Strongly Agree" (SA) values. This indicates that people generally have positive opinions about the features of these convenience stores with regard to their organizational performance.

It is backed by the research of Mendoza et al. (2023), which highlights the critical role of effective management in organizational performance. The study points out that timely provision of staff compliance, efficient execution of duties, and opportunities for professional growth is significantly evident in employee satisfaction and overall organizational performance. It is consistent as well in the impressions noted in the convenience stores in the City of Baliwag, which reflects good employee management practice in sustaining a high level of performance in an organization.

Table 7

*Correlational Analysis Between COSO Framework and Organizational Performance*

<b>COSO Framework</b>	<b>r</b>	<b>p-value</b>	<b>Interpretation</b>	<b>Decision</b>
Control Environment	0.449	0.013	Significant	Reject the H <sub>0</sub>
Risk Assessment	0.625	<0.001	Significant	Reject the H <sub>0</sub>
Control Activities	0.738	<0.001	Significant	Reject the H <sub>0</sub>
Information and Communication	0.429	0.018	Significant	Reject the H <sub>0</sub>
Monitoring Activities	0.413	0.023	Significant	Reject the H <sub>0</sub>

\*\* . Correlation is significant at the 0.01 level (2-tailed).

\*. Correlation is significant at the 0.05 level (2-tailed).

In all cases, the p-values are less than 0.05, indicating that the relationships are statistically significant. This implies that all five components of the COSO framework have a favorable relationship with organizational success. The correlation strength ranges, with "Control Activities" showing the highest association and "Monitoring Activities" showing the poorest but still statistically significant relationship.

## SUMMARY OF THE FINDINGS

The aim of this study is to demonstrate the impact of the COSO framework and the Organizational Performance of a convenience store located at the City of Baliwag, Bulacan. The study assessed the five important components of the framework this is Control Environment, Risk Assessment, Control Activities, Information and Communication, and Monitoring Activities.

Finding reveals that respondents strongly agree that the convenience stores are highly practicing integrity and ethical practices. It means that the convenience stores have positive attributes towards the control environment as perceived by manager and personnel.

Furthermore, the result shows that respondents strongly agree that the convenience stores are highly concerned about external risk sources and managing the risk sources effectively. It suggests that the risk management strategies of convenience stores are highly practiced helping mitigate potential threats, and they possess positive attributes towards the risk assessment.

In addition, managers and personnel strongly agree that the convenience stores are highly ensuring proper bookkeeping and attracts staff of integrity, and they strongly agree with that. It implies that the convenience stores have a strong sense of the control operations and have positive attributes towards control activities as perceived by manager and personnel.

Results indicate that respondents strongly concur that the convenience stores are highly ensuring that there is a method used in information collected from external sources in evaluating its importance, and that the periodic reports are made on quality information, and they strongly agree with that. It implies that the convenience stores have a positive outlook toward the gathering, processing, and dissemination of information and they have positive attributes towards information and communication.

Findings reveal that respondents strongly agree that the convenience stores are highly focused on reviewing staff performance and regular performance inspection.. This implies that the convenience stores have positive attributes towards monitoring activities, accountability, and productivity within store operations.. It also suggests that convenience stores in Baliwag generally implement strong internal control measures under the COSO framework, with strengths in ethics, risk awareness, bookkeeping, and performance monitoring. However, there is still room for improvement in areas like resource monitoring, security protocols, data quality, and internal communication. Addressing this challenges may lead to improved long-term sustainability, financial stability and operational effectiveness.

Similarly, they believe that the convenience stores are highly efficient in carrying out organizational tasks and meeting personnel needs. This suggests that the convenience stores operate efficiently, with well-defined processes and high employee engagement and they tend to have positive attributes towards organizational performance.

The assessment results indicate that the COSO framework greatly influences organizational performance. The significant influence between the COSO framework and organizational performance means all five components have a considerable impact on organizational performance, with Control Activities and Risk Assessment having a more pronounced effect. This means that convenience stores ought to have sound internal controls which directly relate to their performance efficiency and financial viability as perceived by management and staff.

## CONCLUSION

This study shows that the control environment in convenience stores is well-maintained, and store operations place a strong emphasis on ethical business practices. Risk Assessment strategies are implemented by management to address risks and mitigate potential issues. Also, control activities are in place

and proper bookkeeping is ensured. Information and communication are valued by convenience store owners, managers, and personnel who use various methods of information collection to verify its relevance and accuracy. Monitoring activities are consistently conducted by management through the review of staff performance based on the defined standards set by the organization. Furthermore, Organizational performance is high in terms of staff requirements being provided in a timely manner, duties being efficiently executed, and activities being performed excellently by staff.

Contingency Theory by Frazer (2016) postulates that performance is determined by the organization's environment and how well it is structured. Hence, there is no single best way to manage an organization. According to this idea, internal control systems at convenience stores must be adapted to account for important factors such as store size, managerial capability, and other external factors that will affect its operations.

The success of every business operation depends on its internal control. It is important for businesses like convenience stores to adopt an internal control system that best fits the needs of their organization to thrive in a highly competitive market. Internal control systems should be well-rounded and capable of addressing all aspects of organizational success. Moreover, integrating the components of the COSO Framework into the internal control system is beneficial to convenience stores, as it provides a structured approach to establishing effective governance, fostering employee accountability, improving the overall customer purchasing experience, and enhancing overall business performance.

---

## RECOMMENDATION

The following recommendations were made considering the study's findings and conclusions:

1. Managers and store owners must continue to reinforce and set the tone of business ethics by conducting regular training and implementing strict regulation compliance.
2. Management should regularly review and update risk assessment strategies to adapt new challenges and prevent unanticipated operational risks.
3. Store personnel should adhere to the standardized bookkeeping methods, and periodic audits should be observed to maintain transparency and accuracy.
4. Store operations should utilize advanced data collection systems to ensure effective communication and ensure information accuracy across all levels in the organization.
5. Management should regularly conduct performance reviews and provide regular feedback to store employees.

---

## References

- American Institute of Certified Public Accountants (AICPA), (2009). COSO Internal control - integrated framework: Guidance on monitoring internal control systems, Volume III: Examples. eGrove. [https://egrove.olemiss.edu/cgi/viewcontent.cgi?article=1462&context=aicpa\\_assoc](https://egrove.olemiss.edu/cgi/viewcontent.cgi?article=1462&context=aicpa_assoc)
- Aisha, M., & Rumba, A. (2023, August). Internal Control System And Organizational Performance, A Case Study Of Post Bank Kakiri Branch. ResearchGate. [https://www.researchgate.net/publication/373398728\\_INTERNAL\\_CONTROL\\_SYSTEM\\_AND\\_ORGANIZATIONAL\\_PERFORMANCE\\_A\\_CASE\\_STUDY\\_OF\\_POST\\_BANK\\_KAKIRI\\_BRANCH](https://www.researchgate.net/publication/373398728_INTERNAL_CONTROL_SYSTEM_AND_ORGANIZATIONAL_PERFORMANCE_A_CASE_STUDY_OF_POST_BANK_KAKIRI_BRANCH)
- Borras, B. (2020). Internal Business Control Systems in Small Puerto Rican Retail Businesses. ScholarWorks | Walden University Research. <https://scholarworks.waldenu.edu/cgi/viewcontent.cgi?article=9266&context=dissertations>
- Altomonte, L. (2025). COSO framework: A comprehensive guide. (2025, February 11). SafetyCulture. <https://safetyculture.com/topics/internal-control/coso-framework/>
- Case IQ (2023). COSO framework: What it is and how to use it.. Case IQ. <https://www.caseiq.com/resources/coso-framework-what-it-is-and-how-to-use-it/>
- Frazer, L. (2016). Internal Control: A Manager's Journey. Journal of Business and Educational Leadership, 6(1), 50-59. <https://articlegateway.com/index.php/JAF/article/view/1047>
- Hamour, A., Massadeh, D., & Bshayreh, M. (2021). The impact of the COSO control components on the financial performance in the Jordanian banks and the moderating effect of board independence. Sci-Hub: access to information is a human right. [https://sci-hub.se/downloads/2021-05-18/b7/abuhamour2021.pdf?fbclid=IwY2xjawIKuYBleHRuA2F1bQIxMAABHWqg-SBD8sK59Tomf5yDKBtICh47G-8MeHAE0WvDs-iyjWQouxgcV-Sy3Q\\_aem\\_gjYqid-5Xfx3\\_WktpxISZQ](https://sci-hub.se/downloads/2021-05-18/b7/abuhamour2021.pdf?fbclid=IwY2xjawIKuYBleHRuA2F1bQIxMAABHWqg-SBD8sK59Tomf5yDKBtICh47G-8MeHAE0WvDs-iyjWQouxgcV-Sy3Q_aem_gjYqid-5Xfx3_WktpxISZQ)
- Committee of Sponsoring Organization of the Treadway Commission (2013). Internal Control - Integrated Framework. COSO. [https://www.coso.org/\\_files/ugd/3059fc\\_1df7d5dd38074006bce8fdf621a942cf.pdf](https://www.coso.org/_files/ugd/3059fc_1df7d5dd38074006bce8fdf621a942cf.pdf)
- International Federation of Accountants (IFAC), (2014). International Framework: Good Governance in the Public Sector. Home. <https://www.cipfa.org/-/media/Files/CIPFA-Thinks/Reports/International-Framework--Good-Governance-in-the-Public-Sector.pdf>

Garrison, R., Noreen, E., Brewer, P. (2018). Managerial Accounting. Papacambridge. <https://ebooks.papacambridge.com/directories/CAIE/CAIE-ebooks/upload/managerial%20accounting.%2016th%20edition.pdf>

Mendoza, X. L., & Tadeo, J. (2023). Microanalysis of Employee Retention Strategies: The Case of Selected Convenience Stores and Their Practices. researchgate.net.[https://www.researchgate.net/publication/371084381\\_Microanalysis\\_of\\_Employee\\_Retention\\_Strategies\\_The\\_Case\\_of\\_Selected\\_Convenience\\_Stores\\_and\\_Their\\_Practices](https://www.researchgate.net/publication/371084381_Microanalysis_of_Employee_Retention_Strategies_The_Case_of_Selected_Convenience_Stores_and_Their_Practices)

Muller, D. (2024). What is the COSO framework? HR Acuity. <https://www.hracity.com/blog/what-is-the-coso-framework/>

Obafemi, T. O., & Oladeji, I. O. (2023). Effects of Internal Control Activities and Control Environment on Organizational Performance of Selected Tertiary Institutions in Osun State, Nigeria. International Journal of Innovative Research in Accounting and Sustainability, 8(1), 61-71. [ijiras.org](https://ijiras.org). [https://ijiras.org/full\\_article?id=706f95d5b6d3c74e7eee5fcf518a36b5dace75261f326bef040f0094fa137642ae0a2ad7cfa9b9f3a6715e5b7abf9fee0be188851432c5fe2c1c5654d4813f36tj9QWDdXat5IWfeeQKZXk9tM6%2FeLtzJYQDe14V51mqY%3D](https://ijiras.org/full_article?id=706f95d5b6d3c74e7eee5fcf518a36b5dace75261f326bef040f0094fa137642ae0a2ad7cfa9b9f3a6715e5b7abf9fee0be188851432c5fe2c1c5654d4813f36tj9QWDdXat5IWfeeQKZXk9tM6%2FeLtzJYQDe14V51mqY%3D).

Setyawan, A. A., et al. (2021). SME Internal Control: How is compliance with COSO Framework? Journal of Accounting and Investment, 22(3), 473-493. <https://doi.org/10.38035/dijefa.v2i2>

Turyatamba, C., Nelson, K., Prudence, K., & Ntirandekura, M. (2022). The Effect of Product Quality on Competitiveness of Small Medium-Sized Enterprises (SMES) In South Western Uganda; Reflection on Kayonza Growers Tea Factory, In Kanungu District. ResearchGate. [https://www.researchgate.net/publication/374730870\\_The\\_E%CF%80%AFect\\_of\\_Product\\_Quality\\_on\\_Competitiveness\\_of\\_Small\\_MediumSized\\_Enterprises\\_SMES\\_In\\_South\\_Western\\_Uganda\\_Reflection\\_on\\_Kayonza\\_Growers\\_Tea\\_Factory\\_In\\_Kanungu\\_District](https://www.researchgate.net/publication/374730870_The_E%CF%80%AFect_of_Product_Quality_on_Competitiveness_of_Small_MediumSized_Enterprises_SMES_In_South_Western_Uganda_Reflection_on_Kayonza_Growers_Tea_Factory_In_Kanungu_District)

Yahaya, O. A., Lamidi, Y. S., Kutigi, U. M., & Ahmed, M. (2015). The Correlation between Risk Management and Organizational Performance: An Empirical Investigation using Panel Data. <https://www.semanticscholar.org/paper/The-Correlation-between-Risk-Management-and-An-Data-Yahaya-Lamidi/33b37195a1d20b34c24842ddaff591a65add4356>