

**Internal Control on Operation Toward Cooperatives' Profitability Framework of Selected Multi-Purpose Cooperatives in Batangas**

**Aejay M. Mendoza, MBA, CTT, CFMA ,CTP, CFMS**

<https://orcid.org/0009-0001-4621-6881>

[aejaymendoza22@gmail.com](mailto:aejaymendoza22@gmail.com)

Affiliation: Philippine Christian University

1648 Taft Avenue corner Pedro Gil St., Malate, Manila

**Abstract**

The study explores the impact of internal control on the operational efficiency and profitability of selected multi-purpose cooperatives. Recognizing the vital role that cooperatives play in economic development and community empowerment, the research examines how robust internal control systems contribute to financial sustainability and improved management practices. Utilizing a profitability framework tailored for cooperatives, the study assesses key elements such as control environment, control activities, information system and communication, monitoring and risk assessments. Profitability indicators were used to assess the internal control measures of the selected multi-purpose cooperatives. Analysis of financial statements using profitability ratios was also presented to show significant trends in the expenses and income of the cooperatives. A correlational quantitative research design was adopted to allow the researcher to measure the link between variables. The study also consists of five (5) multi-purpose cooperatives, currently operating in Balayan, Calatagan and Lian Batangas. The findings of the study revealed that effective internal control mechanisms significantly enhance transparency, reduce operational risk, and support strategic decision-making, thereby fostering greater profitability and long-term viability among multi-purpose cooperatives.

*Keywords: Strategy Management, Internal Control Components, Quantitative research, Batangas, Philippines*