

THE EFFECT OF REMOTE WORKS ON INTERNAL CONTROL PRACTICES AND FINANCIAL REPORTING OF SELECTED COMPANIES IN NOVALICHES, QUEZON CITY

ABSTRACT

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This study explored the impact of remote work on internal control practices and financial reporting among selected companies in Novaliches, Quezon City. While remote work offers advantages such as flexibility and cost savings, it poses risks to the effectiveness of preventive controls that are essential to maintaining financial integrity. Key challenges include diminished supervisory oversight, weakened segregation of duties, and vulnerabilities in data security within decentralized work environments. Traditional control measures, such as physical document verification, are less effective in virtual settings. This study addresses these concerns within the specific economic and technological context of Novaliches, aiming to fill a gap in localized research on remote work's implications for accounting and control systems. A quantitative correlational research design was used to examine the relationship between remote work adoption, internal control effectiveness, and the reliability of financial reporting. Data were collected through an online structured questionnaire distributed to 50 participants from selected companies in Novaliches using convenience sampling. The instrument employed 5-point Likert scales to assess the extent of remote work, the effectiveness of preventive controls, and the accuracy of financial reporting. The process ensured anonymity and voluntary participation throughout data collection. The results revealed that 72.5% of respondents were female and primarily between the ages of 20 and 39, indicating that younger female employees provided most of the insights. Remote work was found to improve task completion, performance, and employee satisfaction. However, it also introduced accountability issues due to reduced face-to-face supervision. While companies adapted physical controls by using VPNs and digital monitoring, risks such as unauthorized access remained. Digital tools improved transaction tracking, but delays in financial reporting continued. Younger employees adapted more effectively to remote setups, while internet connectivity and limited access to technology emerged as common barriers. Respondents suggested programs that enhance communication, cybersecurity, digital workflows, and employee well-being to improve internal control systems under remote conditions. To strengthen internal controls in remote work environments, companies should prioritize enhanced virtual accountability, invest in employee training, implement stronger cybersecurity measures, and adopt intelligent monitoring technologies. It is also essential to tailor internal control strategies to workforce demographics and to regularly review and update remote work policies. These steps can ensure the reliability of financial reporting and maintain organizational integrity in increasingly digital work settings.

RECOMMENDED CITATION

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