

Exploring The Internal Control Measures In Safeguarding Cash: A Case Study Of Online Gadget Stores

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Kata kunci: Pengendalian Internal, Manajemen Kas, Ritel Online, Risiko Keuangan, UKM, Transaksi Aman

Abstract

Design/methodology/approach: This qualitative case study examines the practical implementation and challenges of internal controls for safeguarding cash within online gadget stores. Conducted during the 2024-2025 school year, the study focused on the experiences of ten store owners in Pagadian City, Philippines. Using a qualitative case study approach, the research explored the strategies employed by these owners to mitigate financial risks.

Research Findings: A key finding reveals a duality in control mechanisms, while owners adopt modern digital payment gateways, they maintain a heavy reliance on conventional physical security measures such as CCTV surveillance and daily cash reconciliation. The most significant challenges identified were customer-initiated fraud (*bogus buyers*), internal theft, and cash mismanagement. In response, owners implemented strategies centered on stringent cash monitoring, restricted employee access, and layered transaction verification. The study concludes that small and medium-sized enterprise (SME) owners perceive risks in both the digital and physical realms, necessitating a hybrid internal control approach.

Contribution/Originality/Novelty: This research contributes to the SME risk management literature by highlighting the critical need to integrate physical and digital security protocols within the dynamic online retail environment.

Abstrak

Desain / metodologi / pendekatan: Studi kasus kualitatif ini mengkaji implementasi praktis dan tantangan pengendalian internal untuk menjaga keamanan uang tunai di toko gawai daring. Dilaksanakan selama tahun ajaran 2024-2025, studi ini berfokus pada pengalaman sepuluh pemilik toko di Kota Pagadian, Filipina. Dengan menggunakan pendekatan studi kasus kualitatif, penelitian ini mengeksplorasi strategi yang digunakan oleh para pemilik ini untuk memitigasi risiko keuangan.

Temuan Penelitian: Temuan utama mengungkapkan adanya dualitas dalam mekanisme pengendalian: meskipun pemilik mengadopsi gerbang pembayaran digital modern, mereka tetap sangat bergantung pada langkah-langkah keamanan fisik konvensional seperti pengawasan CCTV dan rekonsiliasi kas harian. Tantangan paling signifikan yang teridentifikasi adalah penipuan yang diinisiasi pelanggan (pembeli palsu), pencurian internal, dan salah urus kas. Sebagai tanggapan, pemilik menerapkan strategi yang berpusat pada pemantauan kas yang ketat, akses karyawan yang terbatas, dan verifikasi transaksi berlapis. Studi ini menyimpulkan bahwa pemilik usaha kecil dan menengah (UKM) memandang risiko baik di ranah digital maupun fisik, sehingga memerlukan pendekatan pengendalian internal hibrida.

Kontribusi / Orisinalitas / Kebaruan: Penelitian ini berkontribusi pada literatur manajemen risiko UKM dengan menyoroti kebutuhan penting untuk mengintegrasikan protokol keamanan fisik dan digital dalam lingkungan ritel daring yang dinamis.

INTRODUCTION

The proliferation of the internet has fundamentally transformed commerce, making online shopping an integral part of the global economy. This digital shift has been accelerated by the widespread adoption of electronic payment systems, which offer unparalleled convenience to consumers (Alzoubi et al., 2022). Consequently, online stores have experienced significant growth, becoming a dominant force in the retail sector (Alkhairi et al., 2019). However, this digital marketplace is also fraught with risks, as hackers and cybercriminals increasingly target online businesses and their customers (Malik et al., 2024). Online store businesses should improve their security protection to increase customer convenience and trust, such as safe payment transfers and transactions (Madyatmadja et al., 2023). However, in many small companies, cash resources are not adequately handled because of weak internal control within the organization. Internal control over financial transactions is valuable in safeguarding the business's cash holdings. In addition, proper cash management is crucial for the industry to continue functioning smoothly (Gao & Jia, 2016).

In this high-risk environment, robust internal controls are paramount. Internal controls are the policies and procedures established to safeguard assets, ensure the accuracy of financial reporting, and promote operational efficiency (Uddin, 2023). For any business, cash is the most liquid and vulnerable asset, making its protection a critical priority (Fitri, 2023). Inadequate control over cash can lead to fraud, theft, and mismanagement, ultimately threatening a firm's survival (Gao & Jia, 2016).

Money is an essential aspect of human beings and profit for the business. Furthermore, money is the lifeblood of profit and non-profit organizations (Mohamudmohamed et al., 2021). Thus, there would be no economic development without money, capital, and assets - short and long-term - since human beings are considered the immediate users of those. Most business operations are linked with cash movement (Zakirova et al., 2021). Moreover, cash is an asset with the utmost importance in the development and overall operations of the business (Fitri, 2023). It added that as the most liquid asset, it is essential to protect cash from theft, fraud, and misuse. Cash is a resource that the business establishment values and, at the same time, fears because a lack of knowledge about cash is an excellent problem for any business enterprise as it will result in bankruptcy and closure of the business if not properly managed. Therefore, the company must implement proper internal control over cash to safeguard it occasionally.

An essential component of a company's governance and managing risk is the implementation of Internal Controls (Uddin, 2023). Moreover, internal controls can mitigate the risk of fraud and errors and protect the cash from misuse of money from the receipt until disbursement (Martin et al., 2023). Thus, Internal controls are the policies and procedures implemented by the company to ensure the protection of the company's assets from fraud and errors, ensuring that the business information is present with accuracy and that laws and regulations are correctly implemented and followed (Juliati and Jannah, 2020).

Internal control over cash is crucial to any business as cash is the most liquid asset in the company, and such assets are prone to fraud, theft, and misuse (Bayissa, 2017). It revealed that business owners should rotate cash handling staff regularly, segregate proper duties, and change vault passwords periodically to prevent cash from fraud and theft. In order to safeguard the cash, businesses should implement segregation of duties and responsibilities in cash and cash-related activities; transactions also must be recorded promptly and use pre-numbered or computer-

generated receipts to establish the accountability of each transaction as some of the procedures in safeguarding the cash (Seid, 2023). Thus, internal control over cash is relevant to the business as it develops proper cash management. Moreover, there are many ways to ensure the cash, such as separating the duties of a cashier, providing them with a separate cash drawer, and having only one cashier access at a time to establish accountability (Seif, 2015).

While large corporations often have sophisticated internal control systems, Small and Medium-sized Enterprises (SMEs), which form the backbone of economies like the Philippines, face unique challenges. They often operate with limited resources, less formal structures, and a lack of specialized expertise in financial risk management (Damjanovic, 2023). This vulnerability is magnified in the online space, where threats like fraudulent transactions and data breaches are prevalent (Widhaningroem & Widowaty, 2024).

Fraud in such industries includes various *modus operandi*, such as sales of goods being not delivered but paid and also the misuse of consumer data (Rantesalu, 2022; Sari et al., 2022). Moreover, retailers are experiencing cases of mobile and online payment transactions (Taylor, 2024). Because of the possible increase in risk in mobile and online payments, it suggests that financial authorities have to oversee the new payment method to safeguard financial stability (Khiaonarong, 2014).

Cash on Delivery (COD) is one of the transaction processes that is important in the completion of the transactions in online store businesses (Umiyati et al., 2023). Under COD, the payment of the goods purchased is normally upon the receipt of the order (Retnowati et al., 2022). In the Philippines, it is advised that Filipinos opt to choose the Cash-on-delivery payment method when shopping online due to the increasing number of shopping scams that target customers on the Internet (INQUIRER.NET, 2023).

In late 2013, security breaches in the cashier system happened, raising the issue of exposing information about 40 million debit and credit cards (Sullivan, 2014). This hacking incident have become a significant happenings in the world of online shopping that result in data breaches, which cause the loss of personal data belonging to the customers (Chakraborty et al., 2016). In South Africa, small businesses are implementing cash management practices to ensure the sustainability of a successful business (Mungal, 2015). As such, the effect of establishing proper cash management in firms across the Lira District in Northern Uganda (Eton et al., (2016). Meanwhile, in online store business, the usefulness of electronic payment has a better impact on security and purchase intentions (Ardiansah et al., 2020). Thus, online platforms have become a gateway for companies and an avenue for increasing their sales (Junadi, 2015). In addition, the effect of cash management practices of the SME sectors in Kericho Central Business Districts in Kenya has effectively maximized their profits and ensured their financial stability and sustainability (Turgut, 2022).

The 2019 Coronavirus Pandemic has changed how individuals' daily lives because of the fear of contact with the virus (Cussen, 2023). With its impact, consumers shifted from traditional shopping to online or digital payment systems ways of transactions impacted by the strict implementation of COVID guidelines and protocols (Wang et al., 2022). Thus, COVID-19 impacted the development of non-cash payment transactions in many countries (Faza et al., 2023). In Indonesia, the use of electronic payment systems increased patronage as it continued to thrive, especially during the COVID-19 pandemic. Filipinos know and engage more in Internet enterprise operations (Espeleta, 2022). Accordingly, more consumers engage in online purchasing transactions. In the local market, young consumers are more exposed to technology than other generations, making them more knowledgeable about online transactions (Vilcanqui et al., 2023). Accordingly, Filipino consumers purchase essential goods such as foods and medications online (Gumansing et al., 2023). Thus. Filipinos prefer online stores as it is more enjoyable and convenient

than traditional retail outlets (Cacas et al., 2022). Online store businesses in the Philippines implement effective cash management that has enhanced their financial success (Gabildo et al., 2022).

Despite the extensive literature on internal controls in large corporations and the technical aspects of cybersecurity, a research gap exists in understanding the practical, day-to-day internal control measures implemented by SME owners in the context of online retail, particularly within emerging digital economies. There is limited research exploring how these entrepreneurs perceive financial risks and what pragmatic, often resource-constrained, strategies they employ to safeguard their most critical asset: cash.

This study aims to fill this gap by exploring the specific internal control systems for safeguarding cash implemented by online gadget store owners in Pagadian City, Philippines. By examining their strategies, challenges, and risk perceptions, this research seeks to provide valuable insights for SME owners and contribute to the academic discourse on internal control in the digital age.

RESEARCH METHOD

Research Design

This study employed a qualitative case study method to uncover insights into the challenges that online store owners of gadgets face within the digital marketplace in Pagadian City, Zamboanga del Sur. Qualitative research focuses on understanding the meanings individuals or groups ascribe to social issues, utilizing non-numerical data such as interviews, observations, and document analysis (Merriam, 2016). The case study approach allowed to determine the best internal control strategies that online store owners implement to protect their cash from fraud due to rapid technological development and increasing levels of risk on internet purchases.

Research Environment

The research was situated in Pagadian City, which serves as the economic center for the southern part of Region 9. The city's vibrant retail sector, particularly in consumer electronics, has fostered a thriving ecosystem of online gadget stores. This concentration of e-commerce activity, which contrasts sharply with the limited commercial access in neighboring municipalities, creates a competitive environment where effective cash management and internal controls are critical for business survival. Therefore, Pagadian City offers an ideal setting to investigate the practical application and challenges of cash safeguarding strategies among online entrepreneurs.

Research Participants

Participants were the ten owners of gadget stores that operate both online and with physical stores. Additionally, staffs were included for data triangulation, ensuring a comprehensive understanding of the business. Inclusion criteria required that owners must reside in Pagadian City, have at least a capital amount of one hundred thousand pesos., and must have at least one thousand followers on any social media platform. With such eligibility criteria, the researchers managed to gather relevant information on how business owners protect their finances toward their goals.

Research Instrument

The primary research instrument was the researchers themselves, supported by a semi-structured interview guide and field notes. The semi-structured format allowed for both standardized questions and flexibility to explore emerging topics, focusing on financial metrics and influencing factors. Data triangulation was employed to enhance validity by cross-verifying information from various sources.

Data Gathering Procedure

Data collection began with obtaining necessary permissions and identifying potential participants through the Business Permit and Licensing Office. Informed consent was secured, and

interviews were recorded for accurate transcription. Observations of business operations and access to financial documents complemented the qualitative data.

Data Analysis

Data analysis involved simultaneous collection and analysis to identify emerging patterns and themes. Researchers categorized data into themes related to performance metrics and challenges, ensuring credibility through reflexivity and consideration of alternative explanations. The analysis was iterative, continuing until saturation was reached.

Ethical Considerations

Ethical considerations included maintaining confidentiality in line with the Data Privacy Act of 2012, obtaining informed consent from participants, and ensuring data protection. Participants' identities were anonymized, and data was securely handled, with disclosure only permitted in life-and-death situations.

RESULTS AND DISCUSSIONS

The study involved interviews with five business owners, with participant identities anonymized and labeled as P1, P2, P3, P4, P5, P6, P7, P8, P9 and P10 to maintain confidentiality. After collecting the initial responses, the researchers also conducted interviews with internal employees to gain a professional perspective on the answers, enhancing the validity and credibility of the research.

The categories that emerged from this category were: Payment Methods Online Gadget Stores use to Manage their Transactions, Systems and Processes Employed by Online Gadget Stores to Protect their Cash, Advantages of Implementing Cash Safeguarding Measures for Online Gadget Stores, Risks Online Gadget Stores Face in the Process of Safeguarding Cash, Challenges Online Gadget Stores Encounter in Ensuring the Security of their Cash, and Strategies Online Gadget Stores Employ to Overcome Challenges Related to Cash Security.

Payment Methods Online Gadget Stores Use to Manage Their Transactions

This section displays the participants' responses about the payment methods used by business owners to attract customers. The presentation of these responses aimed to provide readers with information, enabling them to understand the various considerations in implementing various payment methods..

The subcategories that emerged from this category were: Cash, Bank Transfer, Mobile Wallet, Credit or Debit Cards, and Wire Transfer.

Cash: Online gadget stores continue to use cash as a preferred payment method, particularly in contexts where customers prefer direct, physical transactions.

P1: "We handle the payment of customers through cash basis payment. In receiving our payments, we really consider cash because the transaction is very quick and far from scams since you actually count the money"

Bank Transfer: Bank transfers are a widely used method among online gadget stores, providing a secure way to handle payments directly from customers' bank accounts.

P4: "there are times when the customer doesn't have cash, so we really accept bank transfers. It's really difficult not to accept it because we really want to make a sale ."

Mobile Wallet: The use of mobile wallets like G-Cash and PayMaya is common among online gadget stores, reflecting the growing trend toward cashless and mobile-first payment solutions.

P5 & P2: “Our payment method is we accept ..., G-cash. Our consideration in accepting payments depends on what method they prefer.”

Credit or Debit Card: Credit and debit cards are accepted by many online gadget stores, providing customers with flexibility in their payment options.

P7, P9, & P10: “Our method for accepting payments from our customers is that we accept debit or credit cards, and what we consider in accepting the customer's payment is what method they prefer to use to pay.”

Wire Transfer: Online gadget stores also utilize PayPal for international transactions or as an alternative for customers seeking more established global platforms.

P6 & P8: “[Our payment method for receiving customer payments is PayPal since we have a customer who is on an installment basis and he pay with Paypal.”

Systems and Processes Employed by Online Gadget Stores to Protect their Cash

Monitoring and Reconciliation of Cash: Online gadget stores consistently monitor their cash flow by performing daily reconciliations and checks.

P1: “In the case of online payment, our app uses GCash or bank transfer. In protecting our cash, we ensure that our customer has truly paid by checking the reference number.”

P2: “Lastly, at the end of each day, we count our money to ensure that everything is secure and to check if there's any shortage or if it matches our actual sales.”

Safeguarding Physical Measures: Physical security measures are a key component in safeguarding cash for online gadget stores. These include storing cash in locked drawers, boxes, or vaults to prevent unauthorized access.

P4: “In cash payment, we use a mini vault to keep it safe from theft, if there happens to be any.”

Installing Surveillance and Security Systems: CCTV installations are widely used by online gadget stores to deter theft and monitor cash-handling activities. Stores often supplement this with physical security measures like hiring security guards and implementing segregation of duties, ensuring that no single individual has full control over cash processes.

P5: “The first thing we did to secure our cash was to install cctv in our store to prevent thieves, and it really worked.”

P3: “The effective approach we are applying in our business is the installation of CCTV cameras in our store, along with our security guard, and the separation of duties among our employees.”

Implementing Standard Authorization and Access Control: Stores maintain strict access control over cash handling, with only one authorized individual or a small group of trusted personnel managing cash.

P6: “There is a person in the store who we trust to manage and protect our cash if we're not there.”

P8: “Then, I am the only one who knows the PIN in the drawer, and I am also the only authorized person to withdraw or access the cash.”

Screening of Employee Credentials: To prevent internal theft or fraud, online gadget stores perform background checks on employees handling cash. Some stores prefer hiring relatives or trusted individuals to further reduce risks related to employee dishonesty.

P9: “Among the measures we take to protect our cash is conducting background checks on our employees, especially our cashiers, to find out if they have any previous records of theft.”

Assuring Accuracy in Bank Deposits: Stores frequently deposit cash directly into the bank to limit the amount of cash kept on hand, reducing the risk of theft. This ensures that cash is secured in a formal financial institution and out of physical reach.

P10: “In case our GCash exceeds 50,000, we transfer the amount to our bank account to ensure that our money is safe, especially since G-cash sometimes undergoes maintenance, particularly with news reports about people losing their money.”

P7: “In online, usually the amount is quite large, like 20k and above. We don't cash it out anymore; we transfer it to the bank instead. G-cash isn't really full because we just bank it now; it has a limit.”

Advantages of Implementing Cash Safeguarding Measures for Online Gadget Stores

Heightens Cash Security and Protection: One of the primary advantages of implementing cash safeguarding measures is the enhanced security and protection of cash. These systems ensure that the cash is kept safe from theft or loss, creating a sense of security for store owners and reducing the likelihood of unauthorized access.

P1: “The advantage of implementing this is that the money is safe, and we all know that this is indeed the goal of business owners.”

P6: “Through what we are doing to secure our cash, this has provided benefits to my business, ensuring that my cash is not easily stolen.”

Prevents Losses and Potential for Theft: Proper internal control measures help prevent losses such as cash shortages, theft, and financial instability. By implementing safeguards, online gadget stores can avoid cash mismanagement, internal theft, and significant financial losses, ensuring smooth operations and profitability.

P4: “Through this, we have already prepared for the risks that may occur, like theft, which is indeed quite common.”

Eases Monitoring and Management: Cash safeguarding measures facilitate easy tracking and monitoring of cash flow within the business. If discrepancies occur or money is misplaced, it can be quickly located, reducing potential downtime and financial risk.

P6: “Installing CCTV in the store alone is really a big help because it allows us to monitor what happens in our store.”

Assures Good Cash Flow System: Implementing cash safeguarding measures also contributes to maintaining a smooth and continuous flow of money within the business. By keeping

cash secure and free from mismanagement, stores can reinvest cash into their operations and ensure financial stability over time.

P8: “It's a huge advantage for us business owners because through this, we can really circulate our money instead of it going to people who just take money without any effort.”

P10: “It's also a big advantage because we can help people in the community, like our employees.”

Risk Online Gadget Stores Face in the Process of Safeguarding Cash

Payment Delays: One of the common risks faced by online gadget stores involves delays in receiving payments, particularly with digital payment methods like GCash. Late payments from customers or processing issues with the payment platform can disrupt the store's cash flow and create financial instability.

P5: “For example, with G-cash, it doesn't reach immediately, which is why customers keep coming back here. It seems like it's a hassle on their side too, but that was only during the time when G-cash was undergoing heavy maintenance.”

P8: “The risk I encountered in managing our cash is related to receiving credit cards. There are indeed instances where our buyers do not pay on time.”

Cash Mismanagement: Cash mismanagement is a significant risk, often caused by mismanagement, poor cash handling practices, or internal errors. Stores may experience cash discrepancies, which can result in financial losses and affect their ability to operate smoothly.

P6: “The risk I encountered in this business is the cash shortage because we don't liquidate and audit our sales every day, so there are times when we find ourselves short on cash after checking our income.”

Bogus Buyers: Online gadget stores are vulnerable to fraudulent activities, including scams and encounters with bogus buyers. These risks expose stores to potential financial losses and could damage their reputation if they're not addressed promptly and effectively.

P3, P7, & P10: “Doing business this way is literally prone to risk, especially when we talk about making payments. There is a possibility that you could be scammed by your customers online.”

Challenges Online Gadget Stores Encounter in Ensuring the Security of their Cash

Fraudulent Customers: A common challenge faced by online gadget stores is dealing with fraudulent customers or bogus buyers. These buyers may place fake orders or attempt to pay with counterfeit money, resulting in significant financial losses and complicating the store's ability to recover funds.

P1: “So far, in online we only encounter bogus buyers. Since we ship nationwide, that's why we sometimes experience return parcels.”

P6: “The challenges I've experienced in securing my cash include the unavoidable situation where there are customers who are deceitful. They

often have a number of buyers/customers with them, so when it comes time to pay, you might not notice that there are counterfeit bills mixed in.”

Internal Theft: Internal theft, whether from employees or close acquaintances, poses a major risk. Cases where trusted individuals, such as family members or staff, gain unauthorized access to cash lead to financial losses and breach the trust necessary for secure operations. Theft from within the business creates an additional layer of difficulty in maintaining cash security.

P7: “Also, I have experienced being robbed in this store before when we weren't using a vault.”

P8: “The challenges we encountered before were theft. The thieves rush to the store and immediately grabbed a few cell phones. Fortunately, we had only a small display at that time.”

Late Payment: Late payments, especially with installment-based transactions, pose a significant challenge for online gadget stores. Customers who fail to pay on time can disrupt cash flow, making it difficult for stores to manage their finances and meet operational costs.

P3: “Based on experience, we accept payment for the item on an installment basis, but the maximum payment period is one year. One of the major challenges we experience is that when the due date arrives, there are some who really cannot pay on or before that date.”

Cash Shortages Issues: Cash shortages, often caused by errors in liquidation or poor cash management, are a persistent challenge. These shortages may result from incorrect accounting, insufficient sales reconciliation, or failure to track cash flow properly, putting the store at risk of financial instability.

P4: “We already know how vulnerable cash can be, so far the challenges we experience is that we fall short when it comes to liquidating our sales.”

Strategies Online Gadget Stores Employ to Overcome Challenges Related to Cash Security.

Consistent Cash Monitoring: To address challenges like cash shortages and fraudulent payments, online gadget stores implement stringent cash monitoring and cash counting processes. Daily reconciliation and double-checking both cash and online payments help ensure accuracy, reduce errors, and prevent cash discrepancies.

P4: “and then at the end of each day, I always write down how much money I have for that day so that when I collect it, it will be exactly right, without any shortage or excess.”

Enhancing Physical Security Measures: In response to risks like theft and unauthorized access, stores have invested in enhancing their physical security. Installing or upgrading CCTV systems and using secure vaults for storing cash are effective strategies for deterring theft and ensuring cash is safely secured when not in use.

P2: “To overcome those challenges, we installed CCTV so that we can monitor even when we are not physically in the store.”

P7 & P8: “What I did to prevent that from happening again is I added CCTV to the store and at the same time, I bought a vault or locker for my cash to make sure that we won't get robbed again.”

Limiting Employee Access: To mitigate the risk of internal theft or cash mismanagement, stores limit employee access to cash by designating a single trusted person responsible for handling it.

P10: “Because of that event, I learned a lot. First and foremost, do not trust anyone with your money because money can be dazzling or truly enticing; you really need to be wise as a businessman.”

Securing Payment Transactions: In dealing with late or incomplete payments, stores have introduced measures like partial payments and adding interest to delay or installment transactions. By limiting lending and requiring partial upfront payments, they reduce the financial risks associated with non-payment or customer defaults.

P1: “To overcome these challenges, we will make a partial payment to avoid canceled orders.”

DISCUSSION

This study explored the internal control used by the gadget store owner in safeguarding their cash both in online payment and cash payment. The following are the main results of the study based on the responses of the participants during the interview:

Payment Methods Online Gadget Stores use to Manage their Transactions

Cash, bank transfers, mobile wallets, and credit or debit cards are commonly used payment methods by online gadget stores.

Systems and Processes Employed by Online Gadget Stores to Protect their Cash

Online gadget stores employ various strategies to protect their cash, including monitoring and reconciling, physical safeguards, surveillance and security, authorization and access control, employee screening, and bank deposits. By implementing these strategies, online gadget stores effectively safeguard their cash, ensuring financial security and maintaining trust with customers.

Advantages of Implementing Cash Safeguarding Measures for Online Gadget Stores

Implementing cash protection in daily operations offers the advantages of continuous Cash flow, preparation for risks, ease of monitoring and management, prevention of losses and theft, and cash security. Thus, these protective measures combined offer high levels of cash safety, giving the business owner the freedom to concentrate on growth with a healthy mind without the worry of losses.

Risks Online Gadget Stores Face in the Process of Safeguarding Cash

The risks online gadget stores encounter in business are related to cash shortages and mismanagement, fraud, and scams, employee risks, and payment delays.

Challenges Online Gadget Stores Encounter in Ensuring the Security of their Cash

The challenges that online gadget stores encounter while ensuring their cash are internal theft from employees and close family members, cash shortages, and incomplete payment, especially with installment-based transactions. Bogus buyers may place fake orders and cancel their orders.

Strategies Online Gadget Stores Employ to Overcome Challenges Related to Cash

Online gadget stores have applied the following successful methods and practices to overcome the challenges of managing financial risk: strengthening payment and cash monitoring, which facilitates the tracking and control of cash flow by the store; enhancing the physical security measures that protect assets; limiting employee access while instilling trust due to transparent policies; and securing transactions to reduce the risk of fraud. These measures strengthen financial risk management in online gadget stores, ensuring better operational resilience and financial stability.

Based on the summary of findings, the researchers concluded that the research participants utilize internal control measures to protect their cash in both online and cash transactions. By accepting various payment methods such as cash, bank transfers, mobile wallets, and credit cards, these stores implement strong safeguards to manage financial risks effectively. Key strategies include monitoring cash flow, enhancing physical security, and limiting access to cash. These measures help mitigate risks like cash shortages, fraud, and employee theft, leading to improved cash flow and security. As a result, owners can focus on business growth without constant financial worries.

Despite these protective measures, challenges such as internal theft and fraudulent orders still pose risks. Many stores are proactively improving their cash monitoring and security practices to address these issues. Overall, effective internal controls are crucial for safeguarding cash in online gadget stores, underscoring the importance of careful observation in managing financial risks.

CONCLUSIONS AND RECOMMENDATIONS

In conclusion, the researchers can provide recommendations for the study's pursuit.

Online store owners may implement systematic and intensive training on how to handle cash, including anti-fraud measures and risk management controls. Online store owners might schedule frequent internal audits to assess compliance with established cash management practices and identify potential vulnerabilities. Online store owners can create open communication and feedback by encouraging employees to report any suspicious activities or propose improvements in cash handling practices without fear of negative consequences. Online store owners may allocate a small emergency fund to address unexpected cash flow challenges without disrupting daily operations. This reserve should be adequate to cover unforeseen refunds or chargebacks, temporary sales declines due to seasonal changes or economic downturns, and unexpected costs related to security breaches. Future researchers may conduct comparative studies to evaluate internal controls, pinpointing best practices that online gadget stores can adopt. These studies ought to highlight best internal control practices in areas like fraud detection, customer verification, and payment processing and assess how different internal control measures affect financial performance, especially in the security of cash. Future researchers could investigate how customer payment preferences influence cash flow management and security practices in online gadget stores.

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