

## *A Systematic Literature Review of MSME's Internal Control*

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**Abstract:** This article is a Systematic Literature Review that aims to summarize the results of previous research on MSME's internal control. The Preferred Reporting Items for Systematic Review and Meta-Analyses (PRISMA) technique is used with the help of a tool called Watase UAE. The filtration used is articles spread across Scopus Q1, Q2, Q3 and Q4 with a time span of 2015 to 2025. The review results show that 2022 is the year in which this topic is most researched, producing 2 articles. The countries of origin of researchers are spread across Brazil, Egypt, Indonesia, Sweden, USA and Spain. The most cited article is an article by Johnstone & Leanne in 2022 entitled the means to substantive performance improvements - environmental management control systems in ISO 14001- certified SMEs. This article result is about SMEs often having difficulty in designing and monitoring environmental control because it involves external aspects such as audits and regulations. As a result, the Environmental Management and Control System or EMCS they developed is broad and complex, spanning strategic and operational levels, and involving parties outside the organization. This article has been cited 10 times.

**Keywords:** SLR, internal control, MSME

### INTRODUCTION

Micro, Small, and Medium Enterprises (MSMEs) have a very strategic role in the economy, especially in developing countries like Indonesia. As a sector that makes a major contribution to job creation, economic growth, and poverty reduction, MSMEs require good management to ensure their long-term sustainability and success. One important aspect in MSME management that is often a challenge is the implementation of an adequate internal control system (Nqala, 2021).

Internal control is defined as a system designed to provide assurance of achieving organizational goals, such as operational effectiveness, integrity of financial statements, and compliance with applicable laws and regulations (Sunday, 2018). For MSMEs, the implementation of this system is often constrained by limited resources, both in terms of finance, technology, and understanding of the importance of proper control (Nqala, 2021).

With the rapid development of technology and changes in market dynamics, new trends in internal control management are emerging. According to (Shanmugam, Haat & Ali, 2012), digitalization, information systems, and more flexible managerial models are some examples of changes that affect the way internal control is implemented. However, although there are many studies that discuss internal control in large companies, research that focuses more on MSMEs,

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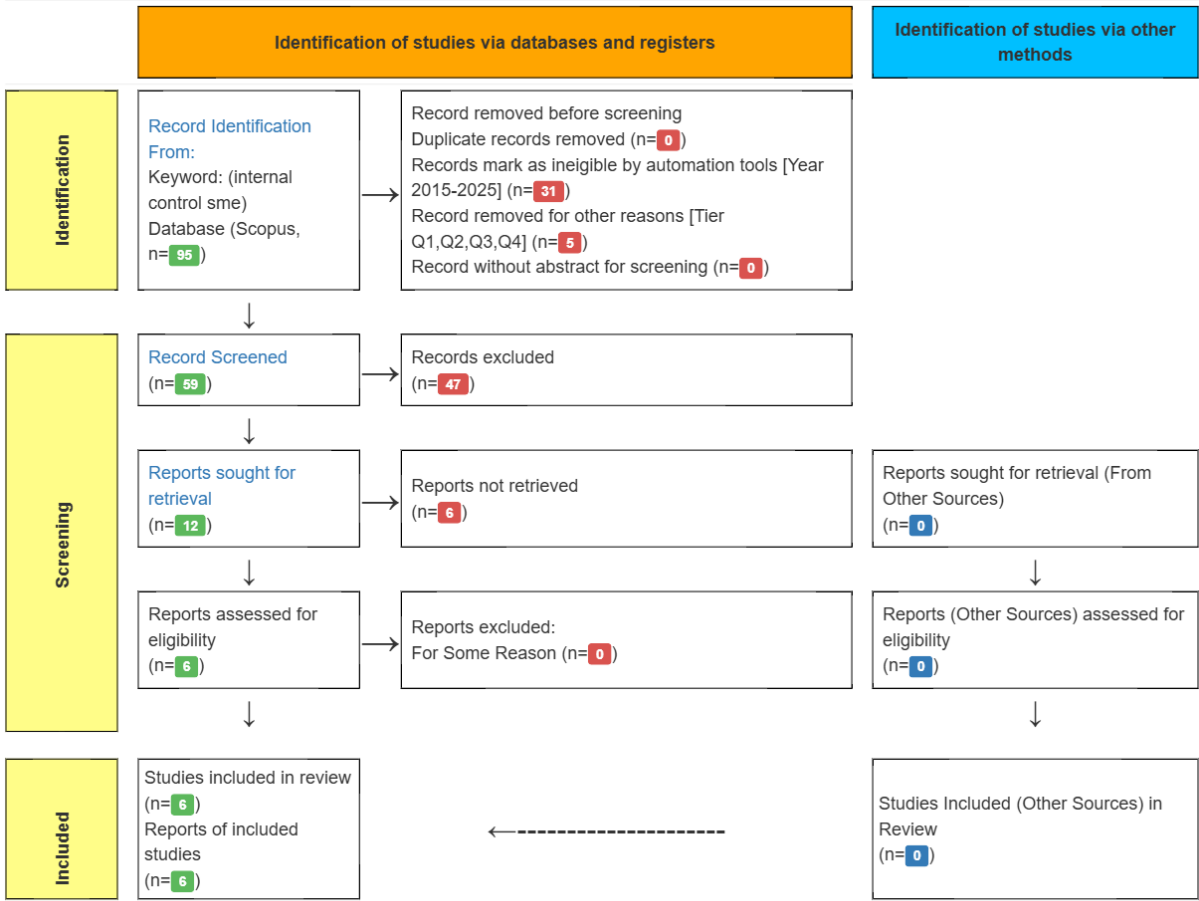
which have unique and different characteristics, is still very limited.

Through this Systematic Literature Review (SLR), it is hoped that the results can be used to explore and analyze the latest trends that emerge in internal control in MSMEs. By exploring various findings from existing literature, this study is expected to provide deeper insight into the obstacles faced by MSMEs in implementing internal control, as well as solutions that can be adapted to strengthen their control systems (Cika, 2018). The findings of this study are expected to not only provide theoretical contributions, but also provide practical recommendations that can improve the effectiveness of internal control in MSME's more broadly.

### **METHOD**

The SLR method with the prism technique was carried out to determine what research trends emerged on the topic of internal control in the MSME environment. SLR was carried out on articles that appeared in Scopus (Q1, Q2, Q3 and Q4) over the past ten years, namely in the period 2015 to 2025 or the current year. SLR was carried out using the assistance of Watase UAE to process data with the Preferred Reporting Items for Systematic Reviews and Meta-Analyses (PRISMA) technique as depicted in Figure 1. After going through three stages in the PRISMA technique, namely identification, screening, and inclusion, the articles obtained to conduct SLR on the topic of MSME's internal control were 6 articles.

Prisma Reporting: Internal Control Sme



Generate From Watase Uake Tools, based on Prisma 2020 Reporting

Figure 1. PRISMA Report

RESULT

The keyword used is MSME's internal control to obtain library sources which are then analyzed. The limitations used are Scopus articles (Q1, Q2, Q3 and Q4) between 2015 and 2025. Figure 2 shows the results of the data obtained. Citation fluctuations are depicted as follows: In 2015 there were no citations on the topic of MSME's internal control, while in 2016 1 citation related to the topic began to appear. However, the citation decreased until 2021 and increased again until 2022 with 2 citations, then 2023 to 2024 were consistent with 1 citation.

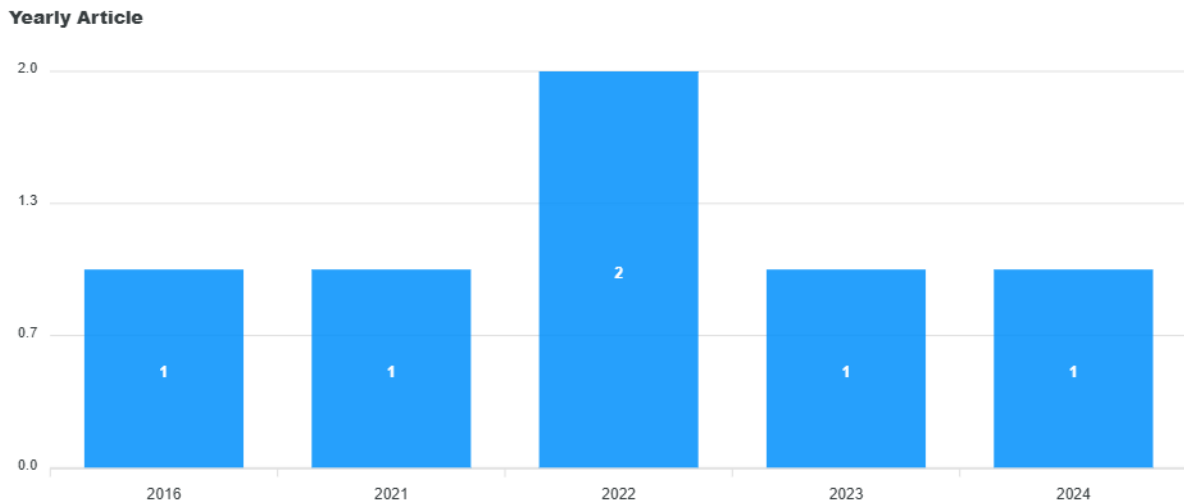


Figure 2. Yearly Article Citation

The results of the analysis can also display the distribution of the author's country, the results in Figure 3 show that 6 articles are evenly distributed across 6 countries, namely Brazil, Egypt, Indonesia, Sweden, USA and Spain with a percentage of 16.7% in each country.

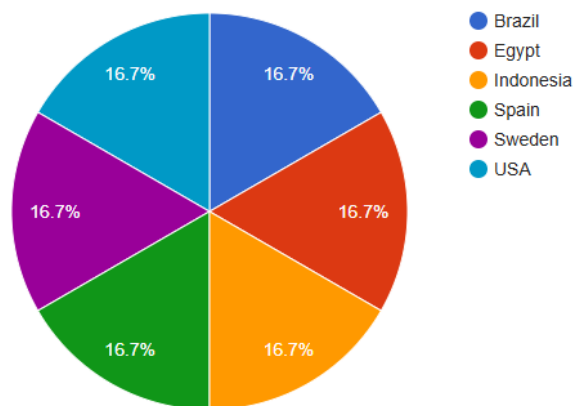


Figure 3. Chart Per Country

From the review results, MSME Internal Control is also often associated with other topics or variables as seen in Figure 4. The clearer the writing is read, the more often the topic/variable is associated in a study, and vice versa.



Serrano-Madrid, José; Labatut-Serer, Gregorio in 2021 in the Scopus Q2 Journal entitled Constructing the audit risk assessment by the audit team leader when planning: Using fuzzy theory. This study focuses on the assessment of expected audit risk by the audit team leader (ATL) during the audit planning phase. This study highlights the important role of ATL in determining reliance on the client's internal controls, as well as how ATL characteristics, such as experience and gender, affect audit risk assessment. In addition, this study also explores the use of fuzzy theory to improve the understanding and assessment of audit risk, especially in the context of small and medium-sized enterprises (SMEs) in Spain.

Table 1. List of Authors, Titles, Journals and Citations

No	Authors	Year	Title	Journal	Citation
1	Johnstone, Leanne	2022	The means to substantive performance improvements – environmental management control systems in ISO 14001–certified SMEs,	Sustainability Accounting, Management and Policy Journal	10
2	Appelbaum, Deniz; Kozlowski, Stephen; Vasarhelyi, Miklos A.; White, Joel	2016	Designing CA/CM to fit not-for-profit organizations,	Managerial Auditing Journal	9
3	Porcuna-Enguix, Luis; Bustos-Contell, Elisabeth; Serrano-Madrid, José; Labatut-Serer, Gregorio	2021	Constructing the audit risk assessment by the audit team leader when planning: Using fuzzy theory,	Mathematics	6
4	Untari, Dhian Tyas; Satria, Budi ; Khasanah, Fata Nidaul ; Perdhana, Timorora Sandha ; Sukreni, Tulus ; Winarso, Widi	2023	The effect of internal control of raw material inventory and production process planning towards the production process and business competitiveness in halal food based SMEs,	Uncertain Supply Chain Management	2

5	Abouelghit, Mahmoud Galal Mohamed; Gan, ShengDao	2024	Empirical research on the effects of mandatory auditing for SMEs on their internal control quality and management's perceptions: Evidence from Egypt,	Cogent Business and Management	0
6	Goncalves, Rosana Carmen M. Grillo; Imoniana, Joshua Onome	2022	Readiness of Low Complexity ERP for Continuous Auditing in SMEs: The Brazilian Case Study,	Control and Cybernetics	0

### CONCLUSION

This SLR was conducted using the assistance of Watase UAKE which can describe the trend of articles on the topic of MSME's internal control from 2015 to 2025. The results of the processed data from Watase UAKE can show the main elements of the article topics extracted from Scopus including Q1, Q2, Q3 and Q4. In addition to being an advantage, the data that is only taken from Scopus Q1, Q2, Q3 and Q4 can also be a limitation because it cannot represent all articles related to MSME's internal control. So this gives rise to recommendations for subsequent articles to be able to add broader data sources, namely from the Web of Science.

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