The goal of this study is to identify the internal control of micro, small, and medium-sized enterprises (MSMEs) engaged in commerce in Tejupilco, State of Mexico, 2020, with a sample of 300 businesses chosen at random. The study is both descriptive and correlational. To obtain this information, a questionnaire with questions about internal control elements and sociodemographic data on a Likert scale was created. The variables that explain the model in the sociodemographic results are age, marital status, and personnel under their command. In terms of internal control implementation, 106 are at a low level, 101 are at a medium level, and 87 are at a high level. The most significant roadblocks were a lack of an organisational structure, training, delegation of responsibilities, providing employees with a social benefit, staff turnover due to a lack of stable economic remuneration, a daily record of operations, information interpretation by a trained person, and the use of information technologies. The proposed model is explained by a significant correlation between the internal control components and sociodemographic data. According to the findings of the research, MSMEs do not have formal internal control factors that help to improve their management. Because they are interconnected, proper functioning will lead to an efficient use of economic, human and technical resources.

**Keywords:** Internal control, trade, competitiveness, management, productivity.

**INTRODUCTION**

Micro, small and medium-sized enterprises (MSMEs) are the backbone of the national economy due to the trade agreements Mexico has entered into in recent years and also because of their high impact on job creation and national production. According to data from the National Institute of Statistics and Geography (INEGI), there are approximately 4 million 15 thousand business units in Mexico, of which 99.8% are SMEs that generate 52% of the Gross Domestic Product (GDP) and 72% of employment in the country. SMEs are concentrated in activities such as commerce, services and the handicraft industry, as well as self-employment (ProMéxico, 2014).

In order to be competitive nowadays, it is vital to constitute a reference of the capacity to anticipate and respond to the challenges of the environment; however, in order for MSMEs to improve, it will be necessary to adapt their strategies, their organizational structure and their outlook of the current economy. However, it should be mentioned that there are companies where a conservative attitude persists waiting to introduce structural changes (Elizondo et al., 2011).

The internal control system is a process that brings together different areas in an effective manner, which is directed by the administrative management, and other individuals of each institution, which provides reasonable security for the achievement of institutional objectives and
likewise safeguard all its assets, and in turn allows to carry out all its activities in a chronological order, (Vega et al., 2016). On the other hand, the ability to compete represents a whole for companies in a globalized world, since this ability fosters economic growth and improvement of the standard of living of employees and the population in general by creating sources of employment. In order to be competitive, SMEs must have a properly structured accounting system that helps them to have a better control of their operations and real and reliable financial results (Herrera et al, 2014).

The challenges faced by SMEs and the reason why some of them fail is due to the following: Absence of an entrepreneurial culture, lack of strategic analysis, poor management, personal incompetence, poor financial foresight, acquiring debt without foresight, centralizing power, absence of controls, lack of planning. In other words, they become fragile due to the weak internal control system (Avila, 2014; Aguirre and Armenta, 2012; Pro Mexico, 2014).

According to Mazariegos et al. (2013), the only way to face and survive the new business environment is with a vision towards the future, where organizations demonstrate responsiveness and adaptability to change, which is why it is essential for companies to be competitive, where they demonstrate flexibility in production and speed to market. For modern administrative management, the proper understanding of the importance of an Internal Control System is a key factor in the objective of using resources efficiently and effectively, reducing losses due to various causes such as deviations and waste, fraud, among others (Lozano and Tenorio, 2015). Therefore, it is considered that all companies should have an adequate internal control, because thanks to its proper management it is also possible to evaluate the quality of the administrative task (Aguirre and Armenta, 2012).

It is important for organizations, regardless of their line of business or size, to have internal control as a fundamental part for the progress and adequate management of each of the activities they carry out, and for this purpose it is essential to analyze the administrative process and detect possible deficiencies that may exist in each of the stages. Likewise, the Committee of Sponsoring Organizations (COSO) model will be incorporated to strengthen and serve as a basis for this research, by analyzing the influence of its internal control components and thus be able to minimize the risk and vulnerability in MSMEs in the municipality of Tejupilco, Mexico.

In recent years, as a result of the problems of corruption and fraud detected in entities, even involving international corporations, internal control has been strengthened and implemented in different countries. It has been noted that it is not a subject reserved only for accountants, but also a responsibility of the members of the boards of directors of the different economic activities of any country or organization.

As already mentioned, MSMEs are fundamental for the country's economy and likewise in the area to be studied, the idea of this study arises due to the evident danger that can be seen in these establishments for failing because they do not apply the internal control factors, it is intended to contribute to inform about the importance to the owners and managers.

The objective is to identify which internal control factors are developed by MSMEs in the municipality of Tejupilco, through the application of a questionnaire based on the COSO model.

Literature Review

COSO

In 1985 COSO (Committee of Sponsoring Organizations of the Treadway) was founded in the United States, being a voluntary commission constituted by representatives of some private sector organizations in the United States, to provide intellectual leadership in front of three interrelated topics: enterprise risk management (ERM), internal control, and fraud deterrence (Ballesteros, 2013).

In 1992, the COSO Report was issued as a document containing the main guidelines for the implementation, management and control of a control system. Due to its wide acceptance, since its publication, the COSO I Report has become the reference standard (Caballero, 2011).

In 2004, the standard "Enterprise Risk Management - Integrated Framework" (COSO II) was published, which extends the concept of internal control to risk management, necessarily involving all personnel, including directors and managers.

In May 2013, the third version of COSO III was published. The new features that this Integrated Risk Management Framework will introduce are that it improves the agility of risk management systems to adapt to the environment, greater confidence in the elimination of risks and achievement of objectives, greater clarity in terms of information and communication.

Internal control

According to ISA 315 Internal Control is the process designed, implemented and maintained by those charged with governance, management and other personnel, to provide reasonable assurance regarding the achievement of the entity's objectives relating to the reliability of financial reporting, the effectiveness and efficiency of operations, and compliance with applicable laws and regulations. The term "controls" refers to any aspect related to one or more components of internal control (IMCP, 2017).

Internal control is known as the context in which organizations operate, as a process through which the management style with which they should be managed is established, allowing the detection of possible problems within the organizational processes, becoming an aid in decision making, thus ensuring adequate compliance with the objectives initially established (Navarro and Ramos, 2016).
The term control, in its most extended meaning, refers to "verification, inspection, audit or intervention", i.e., it consists of contrasting whether or not some actions are in line with given rules or criteria that mark how it should be done; all these concepts are applicable to the management of the economic-financial activity (Gutiérrez and Católico, 2015).

Companies in any environment in which they develop, it is important to have an effective internal control, which exercises the function of verification, but which is also used as a tool to facilitate administrative management (Fernández and Vásquez, 2014). There are many criteria and concepts related to internal control and its importance within organizations, since this will ensure the achievement of the objectives initially set, minimizing risks and avoiding negative impacts.

**Control system components**

Control is composed of five aspects that are interrelated and have their origin in the administrative management of organizations, in addition to being integrated into administrative processes; these can also be considered as a set of standards that are used in the measurement of internal control and help determine its effectiveness and efficiency (Aguilar and Cabrera, 2010).

The components of internal control are as follows:

- Control environment
- Risk assessment
- Control activities
- Information and communication
- Supervision or monitoring

**Control environment**

An adequate control environment allows organizations to have the assurance of carrying out processes that are free from significant failures, that allow the proper use and avoid the unauthorized use of resources, the efficient performance and recording of operations and, consequently, reasonable financial statements that are a true representation of the economic and financial situation of the organizations will also be obtained (Escalante, 2014).

**Risk assessment**

The proper identification of risks has become an indispensable element in financial management, due to the fact that organizations operate in an increasingly globalized and sophisticated environment, where it is important to anticipate adverse situations (Rodríguez, Piñeiro and De Llano, 2013).

Risk assessment contributes to the description with which managers will be able to identify, analyze and manage the risks that organizations may face and the result of this action (Rivas, 2011). Thus, risk assessment consists of the identification and analysis of various situations that prevent the achievement of the company’s objectives. It is important that the organization has mechanisms that allow it to face these possible changes.

It is important to analyze the risks in which the organization may incur, this analysis can become a systematic method that allows planning, identification, evaluation, treatment and monitoring of the information associated with organizational activities; this analysis allows you to reduce your risks and increase your opportunities (Vanegas and Pardo, 2014).

Risk is a real world condition in which there is an exposure to adversity, formed by a combination of environmental circumstances, where there is a possibility of losses (Cruz, 2013). It is necessary for the company to implement prevention activities or programs which must be framed in a logical, systematic, documented process that can be disseminated internally with the purpose of guaranteeing the correct management of the activity (Solarte et al., 2015).

**Control activities**

They are the rules and procedures that constitute the necessary actions in the implementation of the policies that aim to ensure compliance with the activities that aim to avoid risks. Control activities are performed at all levels and in all functions of the organization, where aspects such as approval and authorization processes, technical initiatives, programs and reconciliations are included (Castañeda, 2014).

**Information and communication**

Relevant information must be captured, processed and transmitted in a way that reaches all sectors in a timely manner and also allows the assumption of individual responsibilities, this communication must be considered part of the organization’s information systems where the human element must be involved in issues related to management and control (Gómez et al., 2013).

The purpose of this component is to provide information in the shortest time possible to allow personnel to comply with their responsibilities and, at the same time, to show truthfulness and reliability in such information. To this end, the entity has efficient information systems aimed at producing reports on management, financial reality and compliance with regulations in order to achieve its management and control (Hernández, 2016).

**Supervision and monitoring**

An internal control structure alone cannot guarantee effective and efficient management, with complete, accurate and reliable financial records and information, nor can it be free of errors, irregularities or fraud (Rebaza and Santos, 2015). Under this concept, the importance of the supervision and monitoring activity is evident.
Supervision and monitoring are policy tools that are part of the environment of organizations. Both present a continuous improvement approach that through evaluation, monitoring and supervision are responsible for the effectiveness and efficiency of Internal Control from the follow-up; supervision identifies whether the actions performed at each level of the process lead to other levels; while monitoring includes supervisory activities performed directly by different management structures within the organization preventing events that generate losses or costly activities (Vega and Nieves, 2016).

**METHODOLOGY**

The study is descriptive and correlational, it is required to know what factors influence and the relationship of internal control of micro, small and medium enterprises in the municipality of Tejupilco in the south of the State of Mexico; it is also considered a cross-sectional study, since only one moment has been considered to obtain the information.

The research conducted corresponds to the quantitative and qualitative approach, since data were collected by means of a questionnaire and Cronbach’s Alpha for the assessment of the instrument’s reliability (Mertens, 2010; Hernández et al., 2010; Creswell, 2012).

The most popular way to measure internal consistency is Cronbach’s alpha, whose value is 0.80, which is indicative of a good level of confidence in the questionnaires used in the development of this research, using SPSS software (version 23).

**Hypothesis**

With the correct application of internal control through the components of COSO control environment, control activities, risk assessment, monitoring of controls, information and communication systems will help MSMEs in the municipality of Tejupilco to achieve their profitability objectives, prevent the loss of resources, obtain accurate, timely and reliable financial and accounting information with the applicable regulations, to achieve organizational objectives.

**Study variables**

**Dependent variable:**

✓ Internal control

**Independent variables:**

✓ Control environment factors
✓ Risk assessment
✓ Control activities
✓ Information and communication systems,

✓ Monitoring and supervision of controls.
✓ Sociodemographic data

**The following model can be applied**

And as independent variables: six components which are formed by Control environment (AMC), Risk evaluation (ER), Control activities (ACC), Information and communication systems (SIC), monitoring and supervision of controls (SSC), and sociodemographic variables.

\[
\begin{align*}
\text{CCI} = & \quad b_0 + b_1 \text{sociodemographic variables} + b_2 \text{Control environment} + b_3 \text{Risk assessment} \\
& + b_4 \text{Control activities} + b_5 \text{Information and communication systems} + b_6 \text{Monitoring and supervision of controls}
\end{align*}
\]

In which the dependent variable is dichotomous because it has two response options which are knowledge of the internal control Yes or No.

**Study population and sample size**

According to information from the National Statistical Directory of Economic Units (DENUE), 1,239 companies engaged in wholesale and retail trade were found. A sample of 300 MSMEs was used as an instrument to obtain the data. The sample selection criterion was by random number panel.

http://www.beta.inegi.org.mx/app/mapa/denue/#

**RESULTS**

The following are the results obtained from the investigation of internal control in MSMEs in the municipality of Tejupilco, in the south of the State of Mexico:

**Sociodemographic data of managers in MSMEs in the municipality of Tejupilco in the southern State of Mexico**

The role of women in companies in the new millennium will be marked by this new reality: Women have left the "private sphere" and are now actively present in all professions. Men and women continue to question their personal identity and their role in the family and in society. Women managers tend to encourage participation and place a high value on interpersonal communication. Men like to follow processes and verify results. Both tendencies
and ways of working, making decisions and seeing reality are complementary, which is why women can again bring specific value to the world of work, in this research 55% are women and 45% are men.

The people who run the MSMEs in the south of the State of Mexico are 18-28 years old with 41%, because they are young people who finished high school and did not continue with their professional studies, 7% aged 51 years and older, most of them are owners who were in their business and decided to answer the questionnaire.

Regarding the marital status of the people who answered the questionnaire, 55% are married, so the responsibility they handle is greater since one of their main motives is to supplement the family income and leave a heritage to their family, 40% are single and sometimes work to contribute to their studies.

The personnel in charge of micro, small and medium-sized companies in the southern part of the State of Mexico have 43%, 28% and 2% of higher education, basic (high school) and no education at all, respectively. It can be added that the more education the employees have, the more productive the company can be.

Most of the companies surveyed are microenterprises (78%); they are a fundamental part of the development of the regions, they are a fundamental link in the country's economy, they contribute to the generation of wealth, increase the economically active population by generating jobs, and meet the needs of products and services that the population requires. Currently, in the globalized environment in which they operate, there are survival difficulties and very few manage to succeed in order to continue operating and achieve growth. 1.7% of them have difficulty to the generation of wealth, since it is due to the generation of wealth, which is why it is essential to have a structure that indicates the functions and responsibilities to be carried out. The businesses with the greatest presence are miscellaneous stores 19%, clothing stores 13%, stationery stores 11%, shoe stores 8% and pharmacies 7%.

Regarding the functional areas, 44% mentioned that there is a management and sales, 13% do not have any area within the company, which is why it is essential to have a structure that indicates which are the functions and responsibilities to be performed.

Table 1 shows the general results, according to which the model (set of independent variables) is significant, since it explains between 0.274 and 0.370 of the dependent variable, and also correctly classifies 74.3% of the cases; therefore, the model is acceptable.

- Age explains that the position is very important for exercising leadership (significance less than 0.05).
- As for marital status, it explains the dependent variable. The more responsible they are, the better they tend to perform their work.
- On the other hand, the number of personnel in charge is a variable whose importance lies in the fact that the greater the number of collaborators, the less attention there will be because they will not be aware of them or know their needs, and it also influences the followers to carry out their work properly with a good climate and harmony.
- However, of all the variables selected, the one that allows us to better appreciate how internal control influences organizations is the position, whether it is manager or owner (its exponential of b - Exp (b) is furthest from 1.

General level of application of internal control of managers of MSMEs in the municipality of Tejupilco in the south of the State of Mexico

With regard to the application of internal control, Figure 1 shows that 106 are at a low level, 101 at a medium level, there are few MSMEs that exercise it in each of their areas,
for which there is a lack of knowledge of how it should be applied and carried out, which leads to organizational problems, there is no separation of the resources generated by the organizations, there is no accountant to manage the financial information generated.

As regards 87 at a high level, which has an application of internal control and helps to have an efficient optimization of human, technical and financial resources, to achieve the organizations objectives in a timely manner.

Control environment in MSMEs in the municipality of Tejupilco in southern Estado de México

In Table 2, the results presented show that the model (set of independent variables) is significant, the values are between 0.301 and 0.407 of the dependent variable, and correctly classifies 74.3 % of the cases, therefore, the model is accepted.

✓ In MSMEs, the owner must be present because there is no delegation of responsibilities and this is seen in decision making (significance less than 0.05).
✓ The term internal control is not adequately understood, what it implies to carry it out and the benefits it has for the organizations.
✓ As far as these organizations are concerned, the personnel do not have the necessary training to perform their work correctly.
✓ Of all the variables selected, the one that has the greatest significance in explaining internal control in MSMEs in the municipality of Tejupilco is personnel training (its exponential of b - Exp (b) ) is furthest from 1.

Risk assessment of MSMEs in the municipality of Tejupilco in the southern State of Mexico

In Table 3, the results presented show that the model (set of independent variables) is significant, the values are between 0.043 and 0.058 of the dependent variable, and correctly classifies 63% of the cases, therefore, the model is accepted.

✓ The manager should look for ways to train employees in the use of technology for the benefit of the organization (significance less than 0.05).
✓ The dependent variable, in turn, explains that the manager should offer social insurance to prevent risks and avoid expenses when accidents occur within the business.
✓ Of all the variables selected, the one that has the greatest significance in explaining internal control in MSMEs in the municipality of Tejupilco is social benefits (its exponential of b - Exp (b) ) is furthest from 1.

Control activities in MSMEs in the municipality of Tejupilco in southern Estado de México

In Table 4, the results presented show that the model (set of independent variables) is significant, the values are between 0.03 and 0.04 of the dependent variable, and correctly classifies 61% of the cases, therefore, the model is accepted.

✓ The manager must identify in a timely manner the internal and external factors that affect the organization in order to make a continuous improvement to achieve the planned objectives (significance less than 0.05).
Table 2. Control environment in MSMEs in the municipality of Tejupilco in the southern State of Mexico

<table>
<thead>
<tr>
<th>Section</th>
<th>Cox and Snell R-square</th>
<th>R square of Nagelkerke</th>
<th>Percentage correction</th>
<th>Variable</th>
<th>Sig.</th>
<th>Exp(B)</th>
</tr>
</thead>
<tbody>
<tr>
<td>AMC (Control environment)</td>
<td>0.301</td>
<td>0.407</td>
<td>74.300</td>
<td>AMC1</td>
<td>0.01*</td>
<td>0.639</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>AMC2</td>
<td>0.696</td>
<td>0.934</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>AMC3</td>
<td>0.278</td>
<td>0.862</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>AMC4</td>
<td>0.724</td>
<td>1.05</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>AMC5</td>
<td>0.379</td>
<td>1.135</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>AMC6</td>
<td>0.000*</td>
<td>0.265</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>AMC7</td>
<td>0.366</td>
<td>0.879</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>AMC8</td>
<td>0.000*</td>
<td>2.223</td>
</tr>
</tbody>
</table>

a. Variables especificadas en el paso 1: AMC1, AMC2, AMC3, AMC4, AMC5, AMC6, AMC7, AMC8.

b. *p<0.01; **p<0.05; ***p<.0.1

Source: Authors compilation from SPSS output

Table 3. Evaluation of risks in MSMEs in the municipality of Tejupilco in southern Mexico State

<table>
<thead>
<tr>
<th>Section</th>
<th>Cox and Snell R-square</th>
<th>R square of Nagelkerke</th>
<th>Percentage correction</th>
<th>Variable</th>
<th>Sig.</th>
<th>Exp(B)</th>
</tr>
</thead>
<tbody>
<tr>
<td>ER (Risk assessment)</td>
<td>0.043</td>
<td>0.058</td>
<td>63.000</td>
<td>ER1</td>
<td>0.008*</td>
<td>1.294</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>ER2</td>
<td>0.249</td>
<td>1.255</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>ER3</td>
<td>0.055***</td>
<td>0.803</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>ER4</td>
<td>0.292</td>
<td>0.891</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>ER5</td>
<td>1</td>
<td>1</td>
</tr>
</tbody>
</table>

a. Variables specified in step 1: ER1, ER2, ER3, ER4, ER5.

b. *p<0.01; **p<0.05; ***p<.0.1

Source: Authors compilation from SPSS output

Table 4. Control activities in MSMEs in the municipality of Tejupilco in the southern State of Mexico

<table>
<thead>
<tr>
<th>Section</th>
<th>Cox and Snell R-square</th>
<th>R square of Nagelkerke</th>
<th>Percentage correction</th>
<th>Variable</th>
<th>Sig.</th>
<th>Exp(B)</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACC (Control activities)</td>
<td>0.03</td>
<td>0.04</td>
<td>61.000</td>
<td>ACC1</td>
<td>0.599</td>
<td>0.938</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>ACC2</td>
<td>0.091***</td>
<td>1.282</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>ACC3</td>
<td>0.906</td>
<td>1.015</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>ACC4</td>
<td>0.045**</td>
<td>1.217</td>
</tr>
</tbody>
</table>

a. Variables specified in step 1: ACC1, ACC2, ACC3, ACC4.

b. *p<0.01; **p<0.05; ***p<.0.1

Source: Authors compilation from SPSS output

✓ In turn, the dependent variable explains the internal control in the control environment block that continuously creates vacancies due to resignation of workers, i.e. there is a constant turnover of staff, as they have adequate social benefits to lead a life say tend to look for other jobs that offer better wages.

✓ It is necessary for MSMEs to have an accountant to keep their accounting, to know what their net profit is, what permits, licenses and taxes the organization must comply with in order to avoid paying fines and to be in order in all fiscal and accounting matters.

✓ Of all the variables selected, the one that has the greatest significance in explaining internal control in MSMEs in the municipality of Tejupilco is to offer benefits in accordance with the law (its exponential of b - Exp (b)-) is furthest from 1.
Information and communication system in MSMEs in the municipality of Tejupilco, southern State of Mexico

In Table 5, the results presented show that the model (set of independent variables) is significant, the values are between 0.035 and 0.047 of the dependent variable, and correctly classifies 60.7% of the cases, therefore, the model is accepted.

Regardless of the size of the organization, managers should instill in their employees that it is necessary and indispensable to keep a daily record of all the operations that are carried out, whether income or expenses, it would help to have better control over purchases and to know which products are the ones that sell the most (significance less than 0.05).

The owner still has control over the purchase of goods, it is necessary to delegate functions, and by keeping a daily record of all operations, it is possible to know with certainty what to buy, how much and at the best price.

Of all the variables selected, the one that has the greatest significance in explaining internal control in MSMEs in the municipality of Tejupico, is to record all operations and if there is bar code software it would be excellent, of course having a trained person to correctly perform these functions (its exponential of \(-\exp(b)\)) is farther from 1.

Supervision and follow-up of MSMEs in the municipality of Tejupico in the southern State of Mexico

In Table 6, the results presented show that the model (set of independent variables) is significant, the values are between 0.019 and 0.025 of the dependent variable, and correctly classifies 60.7% of the cases, therefore, the model is accepted.

Managers consider it important to have an adequate internal control which would help at all levels, areas and which would be reflected in the efficient use of human, technical and financial resources (significance less than 0.05).

There is no follow-up of the actions carried out to verify compliance with the business objectives and several of them do not know their objective, mission, vision and organization chart.

Of all the variables selected, the one that has the greatest significance in explaining internal control in MSMEs in the municipality of Tejupico, managers consider it important to have adequate internal control for the benefit of the organizations (its exponential of \(-\exp(b)\)) is furthest from 1.
DISCUSSION

Previous studies such as Norka (2005); Shkurti (2017); Colonio and Calero (2017); Linval (2012); Loan and Finne (2015) Oseifuah and Gyekye (2013); Bilgi et al. (2017); Mazariegos et al. (2013); Aguirre and Armenta (2012); Jiang and Li (2010); Agedeji and Olubodun (2018); Teketel and Berhanu (2009); Oseifuah (2015); Castañeda (2014); Pirela (2005); Andrade (2008); Luiz and Vieira (2020); Duran (2018); Souza et al. (2020) investigate, analyze, study, determine, evaluate internal control in small and medium enterprises. To obtain information they use questionnaires or structured interviews using the COSO Model. The studies in general determine weak or non-existent controls in some components of the internal control structure and suggest that no matter the size of the companies, all of them should have an adequate control system adapted to their needs, since it is an advantage for the permanence and growth of such businesses.

In the 19 studies analyzed, a questionnaire was used as a means of information collection, and all of them agree on the lack of formality of an internal control system in MSMEs, but as Gansauer (2016) rightly comments, having a robust internal control system can be costly. Small businesses rarely have the resources to invest in new tools and employ more people just to review documents, monitor activity, adequately protect data, etc. They have to make do with what they have. But the good news is that there are simple, low-cost measures that can be implemented to stop the most imminent threats.

With the research carried out, it was found that MSMEs do not have formal internal control factors that help improve their management. The components of the COSO Model, such as control environment, risk assessment, control activities, information and communication systems, monitoring and supervision, should be properly carried out, since they are interrelated and their proper functioning will lead to an efficient use of economic, human and technical resources.

According to the studies carried out in the context, it can be observed that the components of internal control such as control environment, risk assessment, control activities, information and communication systems, supervision and follow-up are very important to be carried out in MSMEs because they have a considerable impact on the development of activities for the achievement of the objectives, proposed goals, to obtain profits, as well as to obtain the desired profitability. It is important to carry out the administrative process properly, such as planning, organizing, directing and controlling, even if it is a micro, small and medium enterprise, which would facilitate the performance of activities by the staff to know their roles and responsibilities.

In addition, today with so many changes that are being experienced by different issues, either by global crisis and pandemic companies have to innovate, be creative to help them see the crisis as a new opportunity to find new alternatives to grow, of course using technology as a means to offer their products in different markets.

Conclusions

Once the information has been collected and processed, the following conclusions can be drawn:

The main purpose of this study was to detect that MSMEs in the southern region of the State of Mexico lack an internal control system, justifying that it would generate a high cost, which the owners are not willing to pay.

These factors are some of the causes of the reality that MSMEs live, they have constant uncertainty, since they do not have a plan for the future and from this arises that many of them close down, another great amount of them open and so they go through the years, in a permanent volatility.

Undoubtedly, this study leaves a great learning experience, since the reality of the MSMEs in the southern region of the State of Mexico, their needs and shortcomings were known, but it also gives them the opportunity to learn, apply internal control systems and the administrative process to improve and thus be able to generate a competitive advantage and boost the local and national economy.

Finally, innovation must always be present, looking for new alternatives to improve, having the creativity to generate the necessary changes without fear of failure, that is fundamental, doing it with responsibility and a good strategy and planning, the results will be positive.

With the research carried out, it was found that MSMEs do not have formal internal control factors that help improve their management. The components of the COSO Model, such as control environment, risk assessment, control activities, information and communication systems, monitoring and supervision, should be properly carried out, since they are interrelated and their proper functioning will lead to an efficient use of economic, human and technical resources.

Conflict of interests

The authors declare that there is no conflict of interests regarding the publication of this manuscript.

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