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Management Internal Control Effectiveness and Accounting Information System Quality as Determinants of Business Sustainability among MSMEs

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ABSTRACT

Micro, Small, and Medium Enterprises (MSMEs) serve as the foundation of people-oriented economic development, helping to reduce income inequality and strengthen social cohesion. They play a vital role in regional economies, particularly in West Kalimantan, by harnessing local potential. Nevertheless, MSME sustainability is often constrained by internal challenges, including suboptimal governance and inadequate accounting information systems. Internal management control emphasizes development and maintenance, requiring stakeholders to understand operational and financial management and to administer them efficiently and effectively. Digital transformation through the use of Accounting Information Systems (AIS) also plays a crucial role in enhancing MSME sustainability. AIS enables MSMEs to streamline operations, expand market access, and adapt to changing economic conditions. Moreover, MSMEs may engage with external stakeholders while safeguarding sensitive information such as financial records, personal data, and proprietary assets. Evaluating the effectiveness of internal management control and AIS is therefore critical to ensuring MSME sustainability. This aligns with the Sustainable Development Goals (SDGs), specifically SDG 4 (quality education), SDG 8 (decent work and economic growth), SDG 9 (industry, innovation, and infrastructure), and SDG 10 (reduced inequalities). This study employs a quantitative method to examine how internal management control and AIS influence the sustainability of MSMEs in West Kalimantan Province.

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INTRODUCTION

(Afif & Setiawan, 2024)(Afif & Setiawan, 2024)Indonesia is committed to advancing the Sustainable Development Goals (SDGs), with business sustainability among micro, small, and medium enterprises (MSMEs) representing an important component of this broader development agenda (Afif et al., 2025) . With approximately 64.2 million MSMEs, the sector makes a substantial contribution to the Indonesian economy, accounting for 61.07% of the country's total gross domestic product (GDP) (DJPB Kemenkeu, 2023) . Given their significant economic contribution, MSMEs are expected not

only to survive and grow but also to maintain their long-term contribution to economic development (Afif & Setiawan, 2024) . Nevertheless, MSMEs continue to face critical challenges arising from weaknesses in managerial practices, particularly in internal control and accounting information systems (AIS).

(Mahdavi & Olsen, 2017) Internal control represents an integrated mechanism for managing operations and governance and plays a fundamental role in supporting business continuity through systematic monitoring, evaluation, and performance improvement across successive business periods (Afif, 2021). Management internal control extends beyond regulatory compliance and fraud prevention; it also encompasses operational efficiency, the reliability of financial reporting, and adherence to applicable laws and regulations. In the absence of adequate internal control practices, MSMEs may become increasingly exposed to operational, financial, and strategic risks that can undermine their long-term sustainability (Bromiley et al., 2015). Effective internal control can facilitate proactive risk mitigation by enabling businesses to anticipate potential losses and respond to uncertainty more systematically (Cormican, 2014; Imanuel et al., 2025). Moreover, well-designed internal control mechanisms allow MSMEs to allocate resources more efficiently and minimise unnecessary expenditures that may erode profitability and competitive strength (Mahdavi & Olsen, 2017).

(Bure & Tengeh, 2019; Najua Amira et al., 2025)(Bure & Tengeh, 2019; Najua Amira et al., 2025)(Bure & Tengeh, 2019; Najua Amira et al., 2025)Empirical evidence concerning the contribution of internal control to MSME sustainability, however, remains inconclusive. Previous research has demonstrated that effective control mechanisms can significantly support MSMEs in achieving sustainable growth (Wang et al., 2019). In contrast, Widianingsih, as cited in (Abdillah et al., 2019) , reported that internal control did not have a significant effect on business development. Similarly, (Bure & Tengeh, 2019; Najua Amira et al., 2025) observed that internal control mechanisms were either absent or inadequately implemented among certain MSMEs and did not demonstrate a significant influence on business sustainability. These contrasting findings suggest that the role of internal control in sustaining MSME performance warrants further empirical investigation.
(Chairunisa et al., 2025; Putri & Lubis, 2023)(Chairunisa et al., 2025; Putri & Lubis, 2023)At the same time, accelerating digitalisation has compelled MSMEs to adapt their business practices in order to maintain competitiveness and sustainability (Chairunisa et al., 2025; Putri & Lubis, 2023). (Purwana et al., 2017) found that digital capability has become an essential requirement for MSME owners seeking to survive and sustain their businesses in an increasingly digital business environment. The adoption of digital technologies through accounting information systems (AIS) can enable MSMEs to monitor financial performance, identify emerging trends, and develop more informed financial projections (Pratiwi et al., 2024). Digitalisation may also facilitate adaptation to changing business environments, support the development of new products and services, and improve operational efficiency on an ongoing basis.

The primary ai
m of this study is to examine the effects of management internal control effectiveness and accounting information system (AIS) quality on the sustainability of micro, small, and medium enterprises (MSMEs) in West Kalimantan, Indonesia. Specifically, it investigates how effective internal control mechanisms and reliable accounting information support organisational accountability, transparency, operational efficiency, and informed decision-making. From a governance perspective, integrating internal control and AIS can strengthen accountability and transparency in decision-making and resource utilization (Tricker, 2015). The novelty of this study lies in the integrated examination of management internal control effectiveness and accounting information system (AIS) quality as determinants of MSME sustainability within the context of West Kalimantan, Indonesia. By examining these factors within a single empirical framework, the study seeks to extend the understanding of internal control and AIS beyond their conventional administrative and compliance functions towards their potential contribution to long-term business sustainability.

Furthermore, its regional focus provides context-specific empirical evidence on the relationship between internal organisational mechanisms and MSME sustainability. The originality of this contribution will be established through comparison with previous studies to identify the specific theoretical, empirical, and contextual gaps addressed. Internal control mechanisms can contribute to the accuracy and reliability of financial information used for internal decision-making and external financial reporting (Marshall B & Paul John, 2018). Understanding these relationships is therefore important for assessing how internal organisational practices can support MSMEs in maintaining business continuity and achieving long-term sustainability.

LITERATURE REVIEW

Management Internal Control

Effective internal control can provide a structured basis for monitoring business activities and identifying deviations from planned objectives.

(Afif, 2017) emphasised the importance of control as an integrated mechanism within business operations and governance, particularly in supporting performance evaluation and continuous improvement. Similarly, (Bromiley et al., 2015) highlighted the importance of managing risks associated with business operations and uncertainty. (Cormican, 2014) further indicated that effective control mechanisms can support proactive risk management by enabling organisations to identify and mitigate potential sources of loss.

In the context of MSMEs, effective management internal control may therefore contribute to business sustainability by improving resource utilisation, reducing unnecessary losses, strengthening operational discipline, and facilitating timely corrective action. However, previous empirical findings have not been entirely consistent. (Wang et al., 2019) reported that control mechanisms can support sustainable growth, whereas other studies have found limited or insignificant effects of internal control on business development and sustainability (Abdillah et al., 2019) . These differences provide an empirical basis for further examining the relationship between management internal control and MSME business sustainability.

Hipotesis Development

H1: Management Internal Control has a significant effect on Business Sustainability among MSMEs in West Kalimantan Province.

Information Quantity

When internal control is implemented appropriately, MSME owners and managers can obtain greater oversight of business activities and respond more systematically to potential problems. Conversely, inadequate control may increase exposure to operational inefficiencies, financial losses, and managerial errors. In the long term, these conditions may weaken the ability of an MSME to maintain its operations and respond to changes in the business environment.

(Bure & Tengeh, 2019)(Bure & Tengeh, 2019)Empirical findings have provided support for the relationship between control mechanisms and sustainable business development (Wang et al., 2019) . However, contradictory findings have also been reported, with some studies identifying no significant relationship between internal control and business development or sustainability (Bure & Tengeh, 2019) . The inconsistency in previous findings indicates the need for further empirical investigation, particularly within the context of MSMEs in West Kalimantan.

H2: Accounting Information System has a significant effect on Business Sustainability among MSMEs in West Kalimantan Province.

Information Credibility

The role of AIS has become increasingly relevant as MSMEs adapt to digitalisation. The use of digital accounting systems may reduce limitations associated with manual record-keeping and provide more structured information for managerial purposes. Reliable accounting information can also support

business owners in identifying financial trends, evaluating operational performance, and developing appropriate responses to changing market conditions.

Previous studies have provided empirical support for the contribution of accounting information systems to MSME sustainability (Arimurti et al., 2023; Dhea Imroatul Fatihah et al., 2023; Machin et al., 2023) . Nevertheless, the effectiveness of AIS may vary according to the extent to which the system is adopted and utilised in business operations. Therefore, examining its relationship with business sustainability remains relevant, particularly among MSMEs operating in West Kalimantan Province.

METHOD

To examine the relationships among the research variables, this study adopts a quantitative research approach (Sugiyono, 2021) . This approach enables the researcher to analyse empirical data obtained from a relatively large sample and to statistically assess the relationships specified in the proposed research model. In the initial stage, the researcher conducted preliminary observations, designed the research instrument, and distributed questionnaires to MSME owners and managers in West Kalimantan Province.

The study focuses on MSMEs operating in selected areas, particularly the provincial capital and regencies directly adjacent to the provincial capital in West Kalimantan. These areas were selected because of their strategic economic characteristics and the concentration of MSME activities, providing an appropriate setting for examining factors that may influence business sustainability.

The data collected from the respondents were subsequently analysed using Structural Equation Modelling–Partial Least Squares (SEM-PLS) to examine the relationships among the variables specified in the research model. SEM-PLS was selected because of its ability to estimate complex relationships between latent constructs and its predictive orientation. The method is also considered appropriate for research aimed at theory development and extension, particularly when the proposed model is not yet strongly grounded in an established theoretical framework.

The respondents were selected using purposive sampling, a non-probability sampling technique that allows participants to be selected based on predetermined criteria relevant to the objectives of the study. This technique was considered appropriate because the study requires respondents who meet specific characteristics related to MSME ownership or management and the business context under investigation. In accordance with (Sugiyono, 2013), purposive sampling may be employed when respondents are selected based on particular considerations relevant to the research objectives rather than through random selection.

Research framework

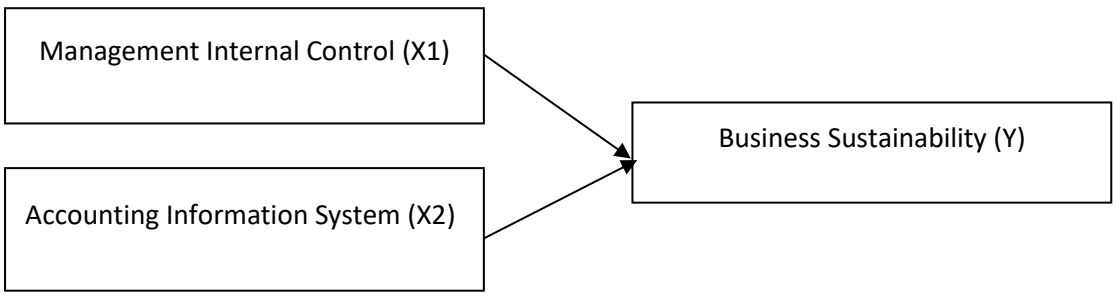


Figure 1. Research Framework

RESULT

Respondent Information

Primary data were collected using a purposive sampling approach (Sugiyono, 2022). A total of 220 responses were initially obtained. Following the data screening and selection process, 219 valid responses were retained for the final analysis.

Table 1. Respondent Profile

Description	Item	
Gender	Male	19.63%
	Female	80.37%
Age	17–25 years old	7.76%
	26–30 years old	10.50%
	31–35 years old	16.44%
	36–40 years old	18.26%
	41–45 years old	20.55%
	46–50 years old	13.24%
	>51 years old	13.24%
Last Education Level	Elementary School or Equivalent (SD)	4.57%
	Junior High School or Equivalent (SMP)	6.39%
	Senior High School or Equivalent (SMA)	57.99%
	Diploma 3 (D3)	10.05%
	Diploma 4 / Bachelor's Degree (D4/S1)	20.55%
	Master's Degree (S2)	0.46%

Outer model evaluation

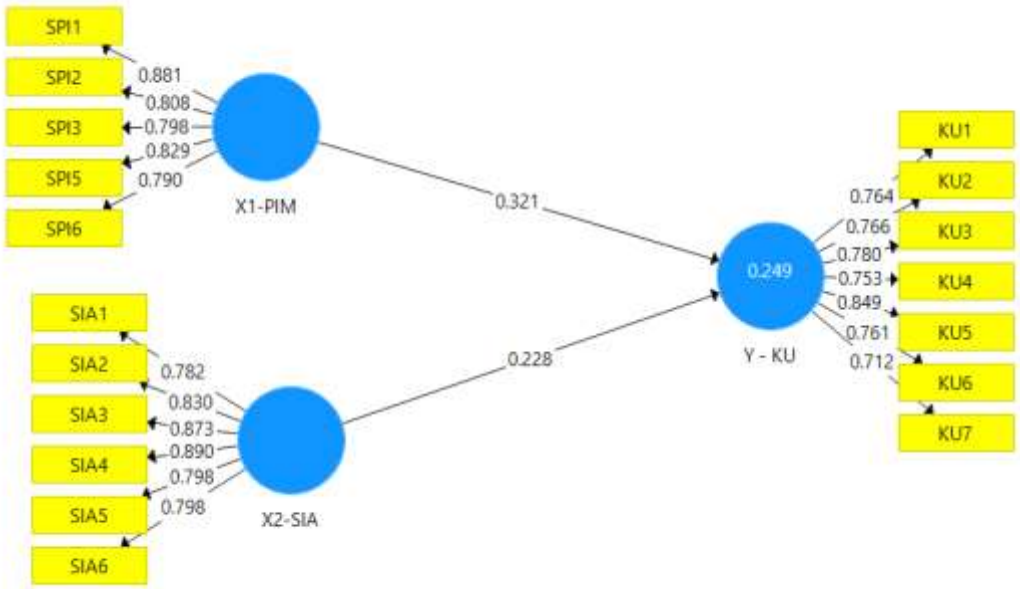


Figure 2. Outer Model

Measurement Model Evaluation (Outer Model)

a. Convergent Validity

The initial data analysis was conducted based on three research constructs, measured using a total of 18 measurement items. The assessment of convergent validity was performed by examining the outer loading values of each indicator. The results of the initial measurement model assessment are presented in the following table.

Table: Outer Loadings.

Item	Item	Loading Factor	Rule of Thumb	Result
KU1	Income from the business is more than enough for daily needs.	0.761	0.700	Valid
KU2	The business can remain sustainable with its current earnings.	0.763	0.700	Valid
KU3	The longer I run the business, the more my income increases.	0.764	0.700	Valid
KU4	The income I receive is in accordance with the working hours I use.	0.705	0.700	Valid
KU5	There is an increase in income over time, however slight.	0.751	0.700	Valid
KU6	I am able to save even if only a small amount for the future development of my business.	0.738	0.700	Valid
KU7	The longer I run the business, the better my skills and competencies become.	0.771	0.700	Valid
SIA1	I always strive to keep up with technological developments, particularly in accounting information systems, for managing business finances.	0.890	0.700	Valid
SIA2	I am highly proficient in using accounting information systems as a tool for financial management.	0.863	0.700	Valid
SIA3	I use accounting information system technology to facilitate transactions with customers.	0.894	0.700	Valid
SIA4	I leverage accounting information systems to simplify and accelerate business service processes.	0.890	0.700	Valid
SIA5	I am able to use digital tools to automate financial recording and manage finances.	0.878	0.700	Valid
SPI1	I have established policies/standards for business operations.	0.850	0.700	Valid
SPI2	I possess the skills to carry out business operations in accordance with the established policies/operational standards.	0.876	0.700	Valid
SPI3	I have detailed the processes for receipts and expenditures within my policies and procedures.	0.867	0.700	Valid
SPI4	I consistently record and archive every transaction that occurs.	0.856	0.700	Valid
SPI5	I am aware of the potential risks that may arise in an MSME	0.817	0.700	Valid
SPI6	I ensure that all necessary business licenses are obtained and maintained to keep business administration secure.	0.866	0.700	Valid
SPI7	I continuously monitor the procedures and policies regarding cash receipts and expenditures.	0.886	0.700	Valid
SPI8	I evaluate the controls in place for the management of receipts and expenditures.	0.837	0.700	Valid

Convergent validity refers to table 2 test outer model, the extent to which the indicators of a construct consistently represent the underlying construct, as reflected by the correlation between individual item scores and their respective construct scores through the outer loading values(Cheung et al., 2023) . In this study, an indicator is considered to demonstrate satisfactory convergent validity when its outer loading value exceeds 0.70.

Based on the initial measurement model assessment, the Business Sustainability construct was measured using seven indicators, the Management Internal Control construct was measured using five indicators, and the Accounting Information System construct was measured using six indicators. Thus, the measurement model consisted of 18 indicators across three constructs. The results show that all 18 indicators obtained outer loading values greater than 0.70. Therefore, all indicators met the established criterion for convergent validity and were retained for subsequent analysis.

Table 3. Fornell-Lacker Validity Test

Variable	IA	IC	IQ	IQN	IU	PI
Information Adoption	**0.819**					
Information Credibility	0.459	**0.800**				
Information Quality	0.641	0.567	**0.808**			
Information Quantity	0.489	0.693	0.517	**0.879**		
Information Usefulness	0.716	0.582	0.604	0.628	**0.827**	
Purchase Intention	0.725	0.558	0.686	0.578	0.659	**0.796**

b. Discriminant Validity

Discriminant validity is an important requirement, as shown in table 3 fornell-lacker validity test for establishing that each latent construct in the measurement model is empirically distinct from the other constructs. In variance-based structural equation modelling, particularly Partial Least Squares Structural Equation Modelling (PLS-SEM), the Fornell–Larcker criterion and cross-loading assessment have traditionally been used to evaluate discriminant validity.
Discriminant validity indicates the extent to which an indicator is able to distinguish its associated construct from other constructs in the measurement model. In this study, discriminant validity was assessed by examining the cross-loadings of the indicators. Specifically, the loading of each indicator on its associated construct should be higher than its correlations, or cross-loadings, with the other constructs. A higher loading on the associated construct indicates that the indicator represents its intended construct more strongly than it represents other constructs, thereby providing evidence of discriminant validity (Henseler et al., 2016).

c. Composite Reliability

Following the assessment of construct validity, the reliability of the measurement model was evaluated using Composite Reliability (CR). Composite reliability assesses the internal consistency of the indicators used to measure each latent construct and is commonly applied in PLS-SEM.
A construct is generally considered reliable when its composite reliability value exceeds 0.70.(Hair et al., 2018) suggested that a CR value above 0.70 indicates satisfactory internal consistency, although values between 0.60 and 0.70 may still be considered acceptable in exploratory research. Accordingly, the CR values obtained in this study were examined against these established thresholds to determine the reliability of each construct.
(Cooper & Schindler, 2014)(Cooper & Schindler, 2014)Although reliability and validity are closely related, they represent different aspects of measurement quality. A reliable construct is not necessarily valid, whereas a construct that demonstrates adequate validity should also exhibit an appropriate level of reliability(Cooper & Schindler, 2014) .

Table 4. Reliability Test

	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
X1-SIA_	**0.930**	**0.933**	**0.947**	**0.780**
X2-SPI	**0.948**	**0.949**	**0.957**	**0.735**
Y-KU	**0.871**	**0.872**	**0.900**	**0.564**

Based on the results presented in the table 4 reliability test, the composite reliability values for all constructs exceed 0.60, indicating that all variables demonstrate an acceptable level of internal consistency and can therefore be considered reliable for further analysis.

Inner Model Evaluation

After completing the measurement model assessment and confirming that all constructs satisfy the required criteria for convergent validity, discriminant validity, and composite reliability, the analysis proceeds to the evaluation of the structural model. The structural model assessment includes the evaluation of model fit, path coefficients, and the coefficient of determination (R^2).

Model fit assessment is conducted to determine the extent to which the proposed structural model is consistent with the observed data. This assessment provides an overall indication of how well the specified model represents the empirical relationships among the constructs under investigation.

a. Effect Size Test

Table 5. Effect Size Test

	X1-SIA_	X2-SPI	Y-KU
X1-SIA_			**0.984**
X2-SPI			**0.817**
Y-KU			

In table 5, effect sizes are assessed to determine the extent to which each exogenous construct contributes to the explanatory power of the endogenous construct. According to the commonly used guidelines for PLS-SEM, $\mathbf{f^2}$ values of 0.02, 0.15, and 0.35 indicate small, medium, and large effect sizes, respectively. Therefore, the effect size results can be used to evaluate the relative contribution of the independent constructs to Business Sustainability among MSMEs. However, the conclusion that the model demonstrates a strong effect can only be established if the calculated $\mathbf{f^2}$ values meet or exceed the threshold of 0.35.

b. Predictive Test

Table 6. Predictive Test

	SSO	SSE	Q² (=1-SSE/SSO)
X1-SIA_	815.000	815.000	
X2-SPI	1304.000	1304.000	
Y-KU	1141.000	748.427	0.344

Based on table 6, predictive test the inner model assessment using the blindfolding procedure, the construct cross-validated redundancy (Q^2) value for Business Sustainability was 0.344. Since the Q^2 value is greater than zero, the model demonstrates predictive relevance for the endogenous construct. This indicates that the model has the capacity to predict the observed values of Business Sustainability to some extent. However, the Q^2 value of 0.344 should not automatically be interpreted as a strong predictive effect or as being close to the large-effect threshold of 0.35. Its interpretation should be made in accordance with the specific guidelines applied and the scope of the predictive assessment.

c. Path Coefficient

Table 7. Path Coefficient

	Original Sample	Sample Mean (M)	Standart Deviation	T Statistics	P Values
X1-PIM	0.321	0.330	0.103	3.123	**0.002**
X2-SIA	0.228	0.230	0.089	2.558	**0.011**

Based on the structural model presented in the figure, Management Internal Control has a positive path coefficient of 0.321 in relation to Business Sustainability. This indicates a positive association between the effectiveness of management internal control and business sustainability.
Similarly, the Accounting Information System has a positive path coefficient of 0.228 in relation to Business Sustainability, indicating a positive association between the quality of the accounting information system and business sustainability.

d. Model Fit

Table 8. Model Fit

	Saturated Model	Estimated Model
NFI	0.819	0.819

Based on table 8, the fit model shows results <1. The Normed Fit Index (NFI) ranges from 0 to 1 and is derived by comparing the proposed model with a specified null or independence model. A higher NFI value, particularly one approaching 1, indicates a better overall model fit. Based on the results presented in the table, the NFI value obtained in this study is 0.819. This result indicates an acceptable level of model fit and suggests that the proposed model demonstrates a good degree of consistency with the empirical data(Imam Ghozali, 2016) .

e. R-square

Table 9. R-square

	R Square	R Square Adjusted
Y – KU	0.249	0.242

The inner model, also referred to as the structural model, represents the relationships among latent constructs based on the underlying substantive theory. In this study, the structural model was assessed using the coefficient of determination (R^2) for the endogenous constructs. The R^2 value indicates the proportion of variance in an endogenous construct that can be explained by its associated exogenous constructs, thereby providing an indication of the model's explanatory power (Imam Ghozali, 2016) .
According to Ghozali (2016), R^2 values of 0.67, 0.33, and 0.19 can be interpreted as indicating substantial, moderate, and weak explanatory power, respectively. Therefore, the R^2 values obtained from the structural model were examined to determine the extent to which the exogenous constructs explain the variance in the endogenous construct.

Hypothesis Test

To examine the structural relationships among the latent constructs, hypothesis testing was conducted by evaluating the path coefficients between the constructs. The statistical significance of each hypothesised relationship was assessed by comparing the p-value with the significance level ($\alpha = 0.05$) and the t-statistic with the critical value of 1.96. The p-values and t-statistics were obtained from the SmartPLS output using the bootstrapping procedure.
The hypothesis testing was conducted to determine whether the proposed relationships between the independent and dependent constructs were statistically significant. Accordingly, two hypotheses were formulated and tested as follows:
H1: Accounting Information System has a significant effect on Business Sustainability.
H2: Management Internal Control has a significant effect on Business Sustainability.

Table 10. Hypothesis Test

	Original Sample	Sample Mean	Standard Deviation	T Statistic	P Values
X1-PIM-> Y	0.321	0.330	0.103	3.123	0.002

X2-SIA->Y	0.228	0.230	0.089	2.558	0.011

Based on table 10, hypothesis test can be described as follows:
Hypothesis 1 Testing
H_o1: Management Internal Control has no significant effect on Business Sustainability.
H_a1: Management Internal Control has a significant effect on Business Sustainability.
Based on the results presented in the table, the p-value is 0.002, which is below the significance level of 0.05, while the t-statistic is 3.123, exceeding the critical value of 1.96. Therefore, H_o1 is rejected and H_a1 is accepted. These findings indicate that Management Internal Control has a statistically significant effect on the sustainability of MSMEs in West Kalimantan Province.

Hypothesis 2 Testing
H_o2: Accounting Information System has no significant effect on Business Sustainability.
H_a2: Accounting Information System has a significant effect on Business Sustainability.
Based on the results presented in the table, the p-value is 0.011, which is below the significance level of 0.05, while the t-statistic is 2.558, exceeding the critical value of 1.96. Therefore, H_o2 is rejected and H_a2 is accepted. These findings indicate that Accounting Information System has a statistically significant effect on Business Sustainability.

DISCUSSION
The findings of this study provide empirical evidence that Management Internal Control has a statistically significant effect on Business Sustainability among MSMEs in West Kalimantan Province. The hypothesis testing results show a p-value of 0.002 and a t-statistic of 3.123, indicating that the proposed relationship is statistically significant. This finding suggests that the implementation of effective management internal control can support MSMEs in maintaining the continuity and sustainability of their business activities. Internal control enables business owners and managers to establish clearer operational procedures, monitor the use of resources, identify potential risks, and take corrective actions when deviations occur. These mechanisms are particularly relevant for MSMEs, which often operate with limited financial, human, and managerial resources. From a managerial perspective, effective internal control can therefore strengthen the ability of MSMEs to manage operational uncertainties and minimise losses that may threaten business continuity. This finding is consistent with previous research indicating that weaknesses in internal management control may expose businesses to operational and financial problems that can negatively affect their ability to survive and grow. The present finding further supports the view that internal control should not be regarded merely as an administrative or compliance mechanism but as an integral part of MSME management practices that contributes to business sustainability.
The results also demonstrate that Accounting Information System has a statistically significant effect on Business Sustainability among MSMEs in West Kalimantan Province, with a p-value of 0.011 and a t-statistic of 2.558. This finding indicates that the effective utilisation of accounting information systems is associated with greater business sustainability. An accounting information system provides MSME owners and managers with structured and relevant information concerning financial transactions, revenues, expenditures, cash flows, and business performance. Access to more timely and reliable accounting information can support planning, financial monitoring, resource allocation, and managerial decision-making. In an increasingly digital business environment, the ability to utilise accounting information systems may also help MSMEs respond more effectively to changes in market conditions and operational requirements. This result is in line with the findings reported by (Machin et al., 2023) which provide empirical evidence regarding the contribution of accounting information systems to MSME sustainability. Taken together, the findings indicate that both management internal control and accounting information systems constitute important managerial elements in supporting MSME sustainability. While internal control provides mechanisms for monitoring, risk management, and corrective action, accounting information systems provide the information required to support these managerial processes. Their complementary roles may therefore strengthen the capacity of MSMEs to manage resources effectively and sustain their operations over the longer term.

CONCLUSIONS

Based on these findings, the results indicate that Management Internal Control has a statistically significant effect on Business Sustainability among MSMEs in West Kalimantan Province. The p-value of 0.002 is below the 0.05 significance level, while the t-statistic of 3.123 exceeds the critical value of 1.96. This finding suggests that MSMEs with more effectively implemented management internal control practices tend to demonstrate stronger prospects for business sustainability. Effective internal control can support MSMEs in monitoring their operations, managing risks, safeguarding resources, and identifying potential problems before they adversely affect business continuity.

This finding is consistent with previous research, which indicates that weaknesses or failures in internal management control may contribute to serious operational and financial problems that can threaten business continuity. Losses arising from inadequate management control are particularly undesirable for MSMEs because of their relatively limited resources and capacity to absorb financial and operational shocks. Accordingly, effective management internal control can serve as an important managerial mechanism for supporting the continuity and sustainability of MSMEs.

The hypothesis testing results also demonstrate that Accounting Information System has a statistically significant effect on Business Sustainability. The p-value of 0.011 is below the 0.05 significance level, and the t-statistic of 2.558 exceeds the critical value of 1.96. Therefore, the findings provide empirical evidence that the use and quality of accounting information systems are significantly associated with the sustainability of MSMEs in West Kalimantan Province. This result suggests that more effective utilisation of accounting information systems may support MSMEs in maintaining business sustainability by providing timely and relevant financial information for planning, monitoring, and decision-making.

The finding is consistent with previous empirical studies, which reported a relationship between accounting information systems and MSME sustainability. The use of accounting information systems can provide business owners and managers with more structured financial information, thereby supporting more informed managerial decisions and improving the capacity of MSMEs to respond to changing business conditions. Consequently, accounting information systems may represent an important component of the managerial infrastructure required to support the continued operation and sustainability of MSMEs.

RECOMMENDATIONS

Based on the findings, several recommendations can be proposed to strengthen the sustainability of MSMEs in West Kalimantan Province. MSME owners and managers are encouraged to improve the implementation of management internal control by establishing clearer operational procedures, conducting regular monitoring, strengthening financial oversight, and implementing appropriate corrective actions when problems are identified. In parallel, greater attention should be given to the effective utilisation and quality of accounting information systems, particularly in recording financial transactions, preparing financial reports, monitoring cash flows, and providing timely information for managerial decision-making. Government agencies and other relevant stakeholders may support these efforts by providing continuous training, technical assistance, and digitalisation programmes that enhance MSMEs' managerial and accounting capabilities. Such interventions should be designed according to the specific needs and resource constraints of MSMEs to ensure that internal control practices and accounting information systems can be implemented effectively and contribute to long-term business sustainability.

RESEARCH LIMITATION AND FUTURE RESEARCH

RESEARCH LIMITATION

This study has several limitations that should be considered when interpreting the findings. First, the study focuses on MSMEs in West Kalimantan Province, which may limit the extent to which the

findings can be generalised to MSMEs operating in other regions with different economic, technological, and institutional conditions. Second, the study employs a cross-sectional research design, whereby data were collected at a single point in time. Consequently, the findings primarily reflect the relationships among management internal control, accounting information systems, and business sustainability at the time of data collection and do not capture changes in these relationships over time. Third, the study relies on questionnaire-based primary data, which may be subject to respondents' perceptions and self-reported assessments. Although the research instrument was evaluated for validity and reliability, responses may still be influenced by individual interpretation and reporting tendencies.

FUTURE RESEARCH

Future research could address these limitations by extending the geographical scope of the study to include MSMEs from different provinces or regions in Indonesia, thereby enabling comparisons across different business and institutional environments. Longitudinal studies could also be conducted to examine how improvements in management internal control and accounting information systems influence business sustainability over time. In addition, future studies may incorporate other relevant factors, such as financial literacy, digital capability, access to finance, entrepreneurial orientation, risk management, and technological readiness, to provide a more comprehensive explanation of MSME sustainability. Researchers may also consider combining survey data with objective financial or operational data to reduce reliance on self-reported information and strengthen the empirical assessment of MSME business sustainability. Further research using alternative analytical approaches or comparative models may likewise provide additional insights into the mechanisms through which management internal control and accounting information systems contribute to the long-term sustainability of MSMEs.

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