

Risk Management and Internal Control Affecting the Performance of Small and Medium-Sized Business Accountants in Samut Prakan Province

Supaporn Rattanawisut¹, Kanokmanee Homkaew², Kanchananthon Nawapornkongpreecha³

Faculty of Accountancy, Bangkokthonburi University, Bangkok, Thailand

Email address: ¹anny_k_1975@hotmail.com, ²kob_kanokmani@hotmail.com, ³Kanchananthon_Naw@gmail.com

Abstract— This research aims to 1) study the risk management that affects the performance of small and medium-sized business accountants in Samut Prakan Province, and 2) study the internal control that affects the performance of small and medium-sized business accountants in Samut Prakan Province. The researcher used a purposive sampling method to select 400 individuals. The data were analyzed using descriptive statistics including frequency, percentage, and standard deviation, and inferential statistics including correlation coefficient analysis and multiple regression analysis. The research results found that: 1) Risk management affects the performance of small and medium-sized business accountants in Samut Prakan Province. The study found that corporate governance and organizational culture, strategy and objective setting, risk management, review and improvement, and information, communication, and reporting have a positive impact on the performance of small and medium-sized business accountants in Samut Prakan Province, with a statistical significance level of .05. 2) Internal control affects the performance of small and medium-sized business accountants in Samut Prakan Province. The study found that control environment, risk assessment, control activities, and monitoring and evaluation have a positive impact on the performance of small and medium-sized business accountants in Samut Prakan Province, with a statistical significance level of .05.

Keywords— Risk management, internal control, operational efficiency.

I. INTRODUCTION

Regardless of business type or size, owners and executives aim for successful operations in accordance with established objectives and goals, as well as continuous and stable progress. However, the possibility of an organization experiencing operational risks, damage, or corruption can arise at any time. Current changes in society, the economy, culture, and technology have led both the public and private sectors, including SMEs, to adapt and develop strategies for operational planning. Risk management and internal control systems are implemented as tools to enable executives to effectively manage their organizations and mitigate potential risks, ensuring operations are carried out in accordance with their goals (Ratchanee Laorotchanathaworn et al., 2021).

Risk Management and Internal Control: In the accounting process, many organizations have adopted risk management and internal control activities as good governance tools to build confidence among stakeholders. They also serve to ensure the reliability of prepared data, reflecting compliance with relevant rules, regulations, and standards. This ensures

efficient and cost-effective resource utilization, while minimizing unnecessary resource waste (Malinrat Mangkang and Prawet Penwutthikun, 2023). They also serve as a corporate governance mechanism to build investor confidence. Internal control is a process that allows businesses to define operational procedures and assess management risks, enabling the control system to operate efficiently and effectively. This system can be used to prevent risks or negative impacts that may occur to the organization in the future. Internal auditing also serves as a tool or assistant for businesses to monitor and evaluate the performance of their operations and the organization's internal control system (Mattima Krongtaen and Kalayaporn Panmareng, 2022). Consequently, internal control systems, risk management, and internal auditing play crucial roles that all organizations must prioritize to maximize the efficiency and effectiveness of their internal management. If any organization lacks internal controls, risk management, and internal audits, it may have an impact on the organization. Therefore, risk management and internal control are considered extremely important in conducting such business (Netnapa Kiattithamrongkit and Kanoksak Sukwattanasinit, 2023).

Small and medium-sized enterprises (SMEs) are considered a key mechanism in strengthening and supporting national competitiveness. They play a key role in developing and supporting growth in various key dimensions. One key factor is the economic role of SMEs, which plays a crucial role in driving national economic growth (Office of Small and Medium Enterprises Promotion, 2024). Operating a SME business presents significant challenges due to the need to carefully consider risks and internal controls to ensure sustainable success (Institute of Internal Auditors, 2017). Internal controls and risk management are crucial tools that enable organizations to effectively manage risks and adapt to changing situations (Jakkriwan Chumuang and Suree Bosakornnat, 2024). Crucial to SME operations is the SME accounting system, which enables efficient and flexible operations. Internal controls also prevent fraud and ensure compliance with corporate income tax, a tax levied on net operating profits of legal entities.

Based on the above, the researcher is interested in conducting research on risk management and internal control that impact the performance of small and medium-sized business accountants in Samut Prakan Province. The objective

is to study the impact of risk management and internal control on the performance of small and medium-sized business accountants in Samut Prakan Province. This aims to reduce operational errors and enhance the efficiency of small and medium-sized businesses. This will also help organizations adapt and enhance their long-term business resilience, as well as improve operations to suit future changing circumstances.

II. METHODOLOGY

A. Research objectives

1. To study the risk management that affects the performance of small and medium-sized business accountants in Samut Prakan Province.
2. To study the internal control that affects the performance of small and medium-sized business accountants in Samut Prakan Province.

B. How to conduct research

The research on risk management and internal control affecting the performance of small and medium-sized business accountants in Samut Prakan Province is quantitative research to study the risk management and internal control affecting the performance of small and medium-sized business accountants in Samut Prakan Province.

Population and sample

The population used in this research was 95,996 small and medium-sized business accountants in Samut Prakan Province (Department of Business Development, 2025). The sample group used in this research was SME accountants in Samut Prakan Province, with a statistical significance level of .05 and a confidence level of 95%. The appropriate sample size for this research was calculated to be 400 people. The sample group was selected using a stratified random sampling method to obtain a sample that was appropriately representative of the population in each stratum. Purposive sampling was also used to select informants who met the specified criteria. Therefore, the sample group used in this study consisted of 400 people.

C. Research tools

The research instrument used in this study was a questionnaire on the opinions of accountants of small and medium-sized businesses in Samut Prakan Province. The questionnaire consisted of 5 parts as follows: Part 1: General information of accountants of small and medium-sized businesses. The questionnaire was closed-ended response question and consisted of gender, age, education level, job position, work experience, and monthly income. It was in the form of a checklist. Part 2: Risk management questionnaire included 1) Corporate governance and organizational culture 2) Strategy and objective setting 3) Risk management 4) Review and improvement 5) Information, communication, and reporting. The questionnaire was in the form of a 5-level rating scale using mean and standard deviation. Part 3: Internal control system questionnaire included 1) Control environment 2) Risk assessment 3) Control activities 4) Information and communication 5) Monitoring and evaluation. The questionnaire is a 5-level rating scale questionnaire and uses the average (Mean) and standard deviation (Standard deviation). Part 4 is a questionnaire about the performance of small and medium-sized businesses, including 1) the achievement of goals, 2) the procurement of resources, 3) the work process, 4) the

satisfaction of all parties. The questionnaire is a 5-level rating scale questionnaire and uses the average (Mean) and standard deviation (Standard deviation). Part 5 is a questionnaire about the suggestions of the respondents.

D. How to analyze data

Data analysis in this research used descriptive statistics, including frequency, percentage, mean, and standard deviation, to describe the general characteristics of the sample. Inferential statistics, including correlation coefficient analysis, were used to test the relationship between two variables, and multiple regression analysis, a statistical analysis technique used to study the relationship between multiple independent variables and one dependent variable, to test the influence of risk management and internal control on the performance of accountants in Samut Prakan Province at the 0.05 level of statistical significance.

III. RESEARCH RESULTS

The presentation of research results on risk management and internal control that affect the work efficiency of small and medium-sized business accountants in Samut Prakan Province can be presented by dividing it according to the study objectives as follows:

1. To study the impact of risk management on the performance of SME accountants in Samut Prakan Province. The research results found that the VIF value ranged from 1.795 to 3.207, which is less than 10, indicating that all independent variables are not correlated with each other. The tolerance value ranged from .027 to .211, or close to 1, indicating that the error of the independent variables does not cause multicollinearity problems. Therefore, all variables were entered into a multiple regression equation and considered the regression coefficient of the predictors, which had a multiple correlation coefficient of 0.504, with a statistical significance level of .05. It was found that all risk management aspects, namely, corporate governance and organizational culture, strategy and objective setting, risk management, review and improvement, and information, communication, and reporting, had a positive impact on the performance of SME accountants in Samut Prakan Province. These five variables can predict the performance of SME accountants in Samut Prakan Province. Overall, the percentage was 24.7 (adjusted $R^2 = 0.247$). The regression coefficients in raw scores and standard scores (B , β) were as follows: corporate governance and organizational culture (0.502, 0.435), information, communication, and reporting (0.442, 0.356), review and improvement (0.309, 0.333), risk management (0.123, 0.139), and strategy and determination (0.026, -0.039), respectively.

2. To study the internal control that affects the performance of SME accountants in Samut Prakan Province. The research results found that the VIF value was between 1.623 and 3.940, which is less than 10, indicating that all independent variables are not correlated with each other. The tolerance value was between 0.253 and 0.645, or close to 1, indicating that the error of the independent variables does not cause multicollinearity problems. Therefore, all variables were entered into a multiple regression equation and considered the

regression coefficient of the predictors, which had a multiple correlation coefficient of 0.614, which was statistically significant at the .05 level. It was found that the control environment, risk assessment, control activities, and monitoring and evaluation aspects had a positive effect on the performance of SME accountants in Samut Prakan Province. All four variables can predict the performance of SME accountants in Samut Prakan Province. Overall, the percentage was 25.5 (adjusted $R^2 = 0.255$). The regression coefficients in the form of raw scores and the regression coefficients in the form of standard scores (B , β) were as follows: control environment (.330, .269), risk assessment (.412, .306), control activities (.517, .216), and monitoring and evaluation (.324, .307), respectively. As for information and communication, it did not affect the work efficiency of small and medium-sized business accountants in Samut Prakan Province.

IV. DISCUSS THE RESULTS

Based on the study of risk management and internal control affecting the performance of accountants in small and medium-sized enterprises (SMEs) in Samut Prakan Province, the research findings can be discussed according to the research objectives as follows:

1. Risk Management Affecting the Performance of SME Accountants in Samut Prakan Province. The study found that all risk management factors, including corporate governance and organizational culture, strategy and objective setting, risk management, review and improvement, and information, communication, and reporting, positively impacted the performance of SME accountants in Samut Prakan Province. This is because risk management in each area serves as an important tool for reflecting the overall picture of various risks. It can help accountants adhere to ethics, be responsible, and reduce errors or fraud. Setting clear goals allows accountants to prioritize tasks and prevent data errors, resulting in organizational operations that meet established goals. This is consistent with research (Jakkriwan Chumuang and Sree Bosakornnat, 2024). Risk management affects the performance of SME accountants in Bangkok. Testing Hypothesis 5 found that all risk management factors, including corporate governance and organizational culture, strategy and objective setting, risk management, review and improvement, and information, communication, and reporting, positively impacted the performance of SME accountants in achieving their goals. Statistically significant at the .05 level

2. Internal Control Affecting the Performance of Small and Medium-Sized Enterprise Accountants in Samut Prakan Province. The study found that the control environment, risk assessment, control activities, and monitoring and evaluation aspects positively impacted the performance of small and medium-sized enterprise accountants in Samut Prakan Province. Information and communication, on the other hand, did not impact the performance of small and medium-sized enterprise accountants in Samut Prakan Province. This is because internal control is a crucial component. Having an effective internal control system, appropriate policies and work environment, systematic risk assessment and management, clear control activities, and continuous

monitoring and evaluation of performance will enable accountants to perform their jobs more efficiently, including data accuracy, speed of operations, error reduction, and compliance with accounting standards and laws. This is consistent with research and is consistent with (Netnapa Kiattithamrongkit and Kanoksak Sukwattanasinitt 2023). Internal control and risk management affect the performance of finance and accounting personnel in agencies under the Office of the Judiciary. The research found that: 1) Internal control systems in terms of the control environment, control activities, monitoring and evaluation, risk management, compliance with laws and regulations, and finance. It has a positive effect on the efficiency of timeliness of finance and accounting personnel in the agencies under the Office of the Judiciary.

Summary

The researcher can summarize the research results as follows:

1. The results of the analysis of risk management that affects the performance of small and medium-sized business accountants in Samut Prakan Province. The study found that all aspects of risk management, including corporate governance and organizational culture, strategy and objective setting, risk management, review and improvement, and information, communication, and reporting, had a positive impact on the performance of small and medium-sized business accountants in Samut Prakan Province, with statistical significance at the .05 level.
2. Results of the analysis of internal control affecting the performance of small and medium-sized business accountants in Samut Prakan Province. The study found that the control environment, risk assessment, control activities, and monitoring and evaluation aspects had a positive effect on the performance of small and medium-sized business accountants in Samut Prakan Province, with statistical significance at the .05 level. Information and communication aspects, on the other hand, did not affect the performance of small and medium-sized business accountants in Samut Prakan Province.

V. SUGGESTIONS

1. Risk management and internal control are crucial management tools for strategic management. they enable comprehensive risk management and internal control without segregation of functions, integrate operations throughout the organization, and serve as a key tool for timely risk response and enhanced readiness to control risks in all areas. therefore, emphasis should be placed on risk management and internal control regarding compliance with internal control and risk management systems. accountants should be encouraged to recognize their importance and perform their work in compliance with relevant laws and regulations accurately and completely.
2. To make the study clearer and more comprehensive, there should be a study of problems and obstacles affecting the work efficiency of accountants. this should be used as a guideline for improving and developing work to be more accurate and effective.

3. Other methods of data collection, in addition to questionnaires, should be added, such as in-depth interviews, to explain and provide additional reasons to support the research results.

REFERENCES

- [1] Chakriwan, C., & Suree, B. (2024). Internal Control and Risk Management Affecting Operational Efficiency of the Small and Medium Enterprises Accountants in Bangkok. *Journal of Public Administration, Suan Sunandha Rajabhat University*, 7(2), 560-570.
- [2] Department of Business Development. (2024). Accountant information. Retrieved February 10, 2025, from <https://www.dbd.go.th/common-article/3>
- [3] Institute of Internal Auditors. (2017). International Professional Practices Framework (PP). Retrieved August 28, 2024, from <https://www.theiia.org/en/about-us/standards-and-guidance/ippf/>
- [4] Mattima, K., & Kanlyaporn, P. (2022). Risk Management, Internal Control, and Internal Audit on The Reduce Liquidity Risk, Firm Performance and Firm Value of Listed Companies in The Stock Exchange of Thailand. *Journal of Arts Management*, 6(3), 1317.
- [5] Netnapa, K., & Kanoksak, S. (2023). Internal control system and risk management on performance efficiency of finance and accounting staff at the office of court of justice. *RMUTL Journal of Business Administration and Liberal Arts*, 11(2), 93-95.
- [6] Office of Small and Medium Enterprises Promotion. (2023). Small and Medium Enterprises Promotion Plan No. 5 (2023-2024). Retrieved February 10, 2025, from <https://www.sme.go.th/uploads/file/download-20230412083828.pdf>.
- [7] Ratchanee, L., et al. (2021). An Internal Control Affecting on SMEs Business Operation in Bangkok. *Rattanakosin Journal of Social Sciences and Humanities: RJSH*, 3(3), 14.
- [8] Tiyyadah, P., & Sawat, W. (2020). The Causal Relationship of Risk in Accounting and Finance, Firm Internal Management, and Firm Performance within Supply Chain of Automotive and Automotive Parts Industry in Thailand. *Journal of Economics and Management Strategy*, 16(1), 50
- [9] Yamane, T. (1973). *Statistics an introductory analysis*. New York: Harper and Row Publications.