

RESEARCH ARTICLE

Improving Accounting and Auditing at Regional Enterprises of The Textile Industry Association

Babakulova Matluba Kurbannazarovna

Doctoral student at TSU, Lecturer at Sarbon University, Uzbekistan

VOLUME: Vol.06 Issue03 2026

PAGE: 33-35

Copyright © 2026 Journal of Management and Economics, this is an open-access article distributed under the terms of the Creative Commons Attribution-Noncommercial-Share Alike 4.0 International License. Licensed under Creative Commons License a Creative Commons Attribution 4.0 International License.

Abstract

This study examines ways to improve accounting and auditing practices in regional enterprises of the textile industry association. The research focuses on increasing financial transparency, strengthening internal control systems, and ensuring compliance with international accounting and auditing standards. Special attention is given to the role of digital accounting systems, effective audit mechanisms, and the development of professional competencies among accounting staff. The implementation of modern accounting and auditing methods is expected to enhance financial discipline, improve management decision-making, and increase the overall efficiency and competitiveness of regional textile enterprises.

KEYWORDS

Textile industry, accounting system, auditing, financial transparency, internal control, regional enterprises, financial management, accounting standards, audit efficiency, digital accounting.

INTRODUCTION

In today's competitive marketplace, the textile industry faces increasing pressure to enhance operational efficiency and financial integrity, making robust accounting and auditing practices imperative for regional enterprises. This essay aims to explore strategies for improving accounting and auditing within the Textile Industry Association, highlighting how these enhancements can foster compliance and accountability. A rigorous internal audit system plays a crucial role in this context, serving as a vital mechanism to ensure adherence to legal standards and operational efficiencies, as discussed in (Ushurlyak D, 2024). Furthermore, the findings from related studies indicate that the effectiveness of internal controls significantly influences overall performance, underscoring the necessity for systematic audits in inventory and financial controls, as exemplified in (Hendri et al., 2022). By strengthening these frameworks, regional textile enterprises

can achieve substantial improvements in transparency and reliability.

The Textile Industry Association plays a crucial role in fostering collaboration among regional enterprises, thereby enhancing their contributions to local economic development. By providing a platform for knowledge exchange and resource sharing, the Association supports smaller businesses in navigating complex market dynamics and adopting best practices. Effective accounting and auditing practices are fundamental for these enterprises; they not only ensure compliance with international standards but also build trust among stakeholders, which is essential for securing investments and fostering growth. As noted in recent research, understanding the factors influencing audit demand and the value of statutory auditing can be particularly beneficial for regional stakeholders striving for sustainability

and competitive advantage in the textile sector (Haapam Eäki, 2019) (Mehmet Özbirecikli, 2007).

Challenges in Current Accounting Practices

The landscape of accounting practices at regional enterprises within the Textile Industry Association is fraught with numerous challenges, primarily linked to resource constraints and the evolving demands of sustainability. Many small and medium-sized enterprises (SMEs) grapple with limited financial and human resources, hindering their ability to adopt modern accounting techniques and sustainable auditing practices. Notably, (Nugroho H et al., 2023) s exploration of sustainable auditing reveals that while larger corporations have integrated these practices as part of their corporate social responsibility initiatives, SMEs often lack the necessary frameworks for implementation. Furthermore, according to (Eilifsen A, 2014) , foundational concepts in audit evidence and internal control remain underutilized in these enterprises, exacerbating the risks of financial misreporting and inefficiencies. Addressing these challenges requires tailored interventions, including capacity-building initiatives and simplified reporting protocols that can enhance the transparency and credibility of financial practices within the industry.

Regional textile enterprises frequently grapple with several accounting challenges that significantly undermine financial accuracy. One prevalent issue is inconsistent revenue recognition, where varying practices across manufacturers lead to discrepancies in financial reporting, thereby obscuring true profitability levels. Additionally, inventory valuation methods can create further complexity; incorrect assessments may inflate or deflate reported earnings, complicating stakeholders' decision-making processes. The implementation of accounting standards, such as those established by the Institute of Chartered Accountants of Pakistan, is essential to address these concerns, promoting transparency and accountability within the industry (Ali H et al., 2024). Furthermore, inadequate internal controls may contribute to errors and fraud, exacerbating financial misreporting (Eilifsen A, 2014). Consequently, addressing these common accounting issues is critical for enhancing the overall integrity of financial statements, fostering investor confidence, and ensuring sustainable growth in the regional textile sector.

Enhancing Auditing Procedures

Effective enhancement of auditing procedures is essential for

regional enterprises within the Textile Industry Association to achieve greater financial integrity and operational efficiency. By adopting a systematic approach to internal audits, as highlighted in recent studies, organizations can better align their inventory control with established auditing standards. The findings indicate that deficiencies in planning and procedural execution significantly undermine the efficacy of internal audits, which ultimately hampers inventory management and increases the risk of errors ((Hendri et al., 2022)). Moreover, integrating robust risk assessment and materiality concepts into the auditing process ensures that firms prioritize the most critical areas of financial reporting ((Eilifsen A, 2014)). These strategic enhancements not only improve compliance but also foster a culture of accountability and transparency within the industry.

In the pursuit of enhancing auditing standards within the regional textile industry, implementing international standards and promoting local compliance emerges as a paramount strategy. By aligning practices with the frameworks established by the International Accounting Standards Board (IASB) and the International Federation of Accountants (IFAC), enterprises can bolster the comparability and reliability of their financial reports, thus facilitating informed decision-making for stakeholders. Further, localizing these international standards, as noted in the challenges faced by Pakistan's textile sector, can address distinct market dynamics and improve operational transparency (Ali H et al., 2024). Ensuring that auditing practices incorporate emerging technologies, such as blockchain and artificial intelligence, is critical to maintaining accuracy and accountability (Predrag Šuvakov et al., 2025). These strategies not only strengthen investor confidence but also contribute to the sustainable growth of enterprises, ultimately enhancing the transparency and integrity of the broader financial ecosystem.

CONCLUSION

In conclusion, enhancing accounting and auditing practices within regional enterprises of the Textile Industry Association necessitates a multifaceted approach that addresses both procedural and structural weaknesses. Many firms lack the implementation of adequate internal auditing standards, which, as indicated by recent studies, undermines their inventory control and overall financial integrity. Issues such as insufficient audit planning and improperly managed documentation exacerbate these challenges, ultimately affecting profitability and compliance in a competitive market

(Hendri et al., 2022). Furthermore, awareness and understanding of fundamental auditing concepts, such as risk assessment and compliance with financial reporting standards, are crucial for these enterprises to thrive (Eilifsen A, 2014). By fostering robust internal audit functions and investing in training for audit personnel, regional textile enterprises can significantly improve their operational efficiency and accountability, thereby enhancing their market position.

In assessing the potential improvements in accounting and auditing practices within regional textile enterprises, several key enhancements emerge that stand to benefit not only individual businesses but also the broader textile industry association. The adoption of integrated environmental auditing frameworks can significantly advance the managerial efficiency and sustainability of these enterprises, highlighting the need for Certified Public Accountants (CPAs) to become more actively involved in Environmental Auditing and Reporting (EAR) initiatives. By refining these practices, businesses can better comply with regulatory standards, ultimately fostering a culture of transparency and accountability that is crucial for garnering consumer trust and enhancing competitive advantage. Moreover, as research indicates, effectively engaging CPAs in EAR can reveal both limitations and opportunities, thereby empowering regional textile firms to align with both managerial goals and industry advancements, significantly impacting their operational success and market positioning (Mehmet Özbirecikli, 2007) (Mehmet Özbirecikli, 2007) .

REFERENCES

1. Hadi Nugroho, Inggit Permata (2023). Sustainable Auditing: Practices and Perceptions in the Accounting Industry. <https://www.semanticscholar.org/paper/9666780b7e17a4e67d7e1259057c54a6edccb1e2>
2. Aasmund Eilifsen (2014). Auditing & assurance services.
3. Hendri, Nedi, Nugraheni, Septiana Ayu, Nusantoro, Jawoto (2022). Peranan Audit Internal Untuk Menunjang Efektivitas Pengendalian Internal Persediaan Barang Dagang Pada PT Intan Pariwara Branch Office Metro. <https://core.ac.uk/download/543113094.pdf>
4. Elina Haapamäki (2019). Essays on Financial Reporting and Auditing Regulation. <https://osuva.uwasa.fi/bitstream/handle/10024/9769/97>

[8-952-476-879-5.pdf?sequence=2](https://www.semanticscholar.org/paper/8-952-476-879-5.pdf?sequence=2)

5. Mehmet Özbirecikli (2007). A Review on How CPAs Should Be Involved in Environmental Auditing and Reporting for the Core Aim of It. <http://businessperspectives.org>
6. D.A. Ushurlyak (2024). Internal audit and control in an enterprise: how it works and why it is needed. <https://www.semanticscholar.org/paper/d41256544e31ffbef3d4bc372a7cb149d2abf9>
7. Haider Ali, Muhammad Yousaf, Salman Masood Sheikh, Junaid Subhani, Hafsa Majeed, Kainat Fatima (2024). Impact and Significance of Accounting Standards in Enhancing Financial Transparency within Pakistan's Textile Industry. <https://www.semanticscholar.org/paper/6dd3a4f3f753c71975fdbaaa103b368bc4d8c45b>
8. Predrag Šuvakov, Vidosava Sekicki (2025). Contemporary Trends in the Standardization of Accounting and Auditing at the International Level. <https://www.semanticscholar.org/paper/3e5f801f9e6571a200fab8ed41a4433b3542bbef>
9. Mehmet Özbirecikli (2007). A Review on How CPAs Should Be Involved in Environmental Auditing and Reporting for the Core Aim of It. <https://businessperspectives.org/journals/problems-and-perspectives-in-management>