

THE IMPACT OF ESTABLISHING ENVIRONMENTAL STANDARDS ON ENVIRONMENTAL ACCOUNTING DEVELOPMENT

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Abstract

In this article, green environmental accounting has been reviewed to identify applications and the need for it. Environmental accounting provides information that helps in evaluating the decision-making control and reporting functionality of managers in the early stages of the development of accounting issues for the corporate environment. They were reluctant to disclose environmental languages in their financial affairs. However, due to the time and the magnitude of the damage, companies had to comply with these issues. Recognizing the environmental costs associated with a company's products is critical to the decision-making process of management. The use of accounts Environmental issues have become more manageable in issues such as the cost of investment analyzes and strategic management decisions. Today, many companies are facing environmental issues and are looking for the right way to report and disclose information to the public. As a result, the use of environmental accounting As an attempt to protect the environment.

Keyword: *Environment, Green Accounting, Costing and Disclosure.*

Introduction

In the current era, due to the existence of some environmental constraints, especially in the world of trade and the narrowing of the competitive environment, some profitable companies, on the one hand, have to bear the costs of eliminating these restrictions and achieving more revenue or gaining commercial popularity. Environmental and, on the other hand, to reduce the cost of the environment to a positive assessment of the specific performance of the environment. To manage environmental costs, the first is the need to identify them, as well as the environmental cost of the activity, which can increase the value of the company. The International Standard ISO 14000 is a management control system that defines the

company's environmental performance to meet the requirements of this standard and collectively for this purpose that the company can process its processes, communications, and activities without harming the environment. To live up to some Indian commercial companies, including Tehran Stock Exchange companies, have introduced an environmental management system and, although real costs are imposed on the company in this regard, they will seek benefits and added value in return for costs. Had The subject of environmental activity accounting can be assessed as an independent activity. On the one hand, due to a continuous improvement pattern in the environmental audit process, the necessary feedback from the accounting information system completes the audit, it is possible to assess the performance of managers in Continues to improve continuously. On the other hand, external financial reporting on environmental performance can provide the benefit and cost of environmental programs and management objectives to foreign users, and although some of the benefits of bearing environmental costs are merely qualitative and measurable However, with proper disclosure in financial reporting, one can create a positive view among shareholders and the capital market, and consequently, through the increase (PRICE / EARNING PER SHARE) P / E, and ultimately increasing the stock market value, increased shareholders' wealth. Due to the problem of lack of accounting information, with more accuracy and accuracy in companies that manage their environmental activities in addition to their core activities, there is a need for a proper costing system.

At the moment, there has been a new perception of the environmental impacts of industrial activities of for-profit organizations, which has changed the perception of profit institutions from designing products and processes to after-sales services. This is despite the fact that the true value of natural resources such as air, land, water, and non-consumables used to produce various products is not appropriately reflected in the cost of manufactured products, and the green industry, despite enduring domestic environmental costs, then non-food industries Similar products produce the same application. Hence, management is not only responsible for the effectiveness and effectiveness of the activity of the institution under its authority but is also responsible for everything that comes about regarding profitability regarding environmental problems. A profit unit, along with economic responsibility, also has to accept environmental or social responsibility.

Environmental accounting

Environmental accounting has different uses, including national income accounting, financial accounting, or management accounting, while national income tax accounting looks at natural resources and expenditures from a national scale, but financial accounting from the perspective of users. The financial reports are reviewed for decision making and public responsibility issues, and finally, management

accounting is viewed as an information system aimed at supporting management decisions.

Due to the environmental sensitivity of both the external and internal requirements, environmental accounting is linked to the intention to cost environmental activities, and the issue of cost is very significant for its realism and its impact on the economic performance of the profit-making business. Is. The effects of environmental costs on economic activity can be justified if they have positive implications for the future performance of the firm.

Environmental costing

Management accounting as a decision support system in dealing with actual costs incurred by the business firm inevitably separates environmental costs from other costs and provides a different look at providing financial information in this regard. Management of the cost is, on the one hand, affected by external factors and, on the other hand, by internal factors of the firm. If a foreign agent is considered a customer's satisfaction, then the cost reduction is identified through the identification of its factors with the goal of eliminating non-value-added activities and includes the range of factors from product design to after-sales service. While the external factor is environmental satisfaction, then reducing costs by identifying its factors with the aim of eliminating activities without economic value would be difficult. In other words, environmental costs are sometimes devoid of value added, and the firm does not have the desire to eliminate environmental degradation, but it controls and reduces the cost of such activities, which means that management The environmental cost is a practical goal of environmental satisfaction, and in order to do so, it is necessary to differentiate the cost and select the appropriate indicators.

Environmental reporting

Since environmental accounting also encompasses environmental reporting and environmental performance is important to the users of financial reporting, the objectives of reporting economic performance are not fully consistent with the environmental reporting objectives, therefore, due to the constraints on the interests of users, the need There are unique reporting requirements.

Because contributing to the environmental costs of the cost-benefit firms, providing a picture of the environmental performance of the benefits of bearing these costs is difficult, given the existing accounting structure, difficult. Therefore, many profit-making The cost of environmental activities, without coping with its benefits, only serves as cost items and does not expose them efficiently to financial reporting.

The disclosure of environmental costs to maintain the wealth of shareholders leads to an increase in the value of the corporate entity. And although the benefits of such costs cannot be accounted for by the Rial, it also creates a distinction in the profit-

making industry as a green industry, and despite the advantages of maintaining a competitive market among non-GS industries, by creating social popularity, Will have a beneficial effect on the stock prices of such firms in the stock market, so environmental reporting should be considered more closely by the managers of the economic units, especially those who are in high environmental costs.

The deterrent factors of environmental accounting development

Given the growing population and the limited availability of natural resources, the issue of environmental protection is now considered one of the most important issues of human society. The critical point is that environmental protection is not limited to political and geographical boundaries and requires the collective effort of all the inhabitants of the planet. With a systematic approach, the issue of environmental protection requires an environmental management system that is integrated with other management systems. An accounting information system as an important component of the information management system can play a significant role in helping to protect the environment from polluting manufacturing companies. How can the company spend on the environment how it reflects on accounts or how they are disclosed are issues that accounting can provide with management and management information? However, such assistance requires the existence of laws and regulations for environmental protection for manufacturing companies, as well as the establishment of accounting guidelines required by professional accounting colleges. On the other hand, the awareness and the importance of managers to environmental control systems in the company can reduce pollution.

Considering the increasing trend in our country's pollution in recent years, and manufacturing companies have contributed a lot to it, we have shown that by showing the role of accounting to help reduce pollution through the impact of spending and financial disclosure and providing relevant information. Take a step down, though not a bit, in this regard.

"The air pollution crisis, especially in Tehran, has reached a level where experts say that basic principles must be considered to save the lives of thousands of elderly and ill. Still, no statistics have been released on the victims of air pollution in Tehran, but it can be guessed that air pollution has been the cause of a massive death of more than 19,000 victims of heart and brain stroke in 1371. "

"About 60% of the country's industries are concentrated in Tehran and around it. This unobtrusive and physical extinction is one of the main causes of severe air pollution and environmental pollution. "

The close economic, political, commercial, industrial, cultural, and educational relations of India with some of the advanced countries of the world have led to the development of technology in our country.

The need for a primary system for the formulation and formalization of issues, especially about the quality of existing environmental information, is of primary importance. The promise of the environment as a philosophy has gained many supporters. However, the role of accounting in the role of helping to protect the environment through the provision and disclosure of information in this field to domestic and foreign users is still empty. Achieving environmental accounting reports, along with other reports, can put society at the heart of the progress of addressing existing and future environmental hazards.

Effective factors in environmental development

In a study that outlined the inhibitors of the development of environmental accounting in India, three hypotheses were developed as follows:

The first hypothesis is the relationship between the establishment of environmental standards and standards and the development of environmental accounting.

The second hypothesis exists between the existence of environmental experts and environmental groups and the development of environmental accounting.

The third hypothesis is between the managers' awareness of the importance and the effects of the use of environmental control systems and the development of environmental accounting.

The research methodology has been used to identify the views of stakeholders and beneficiaries. In this method, a questionnaire is used to determine the views that are opposed to the new design or pattern.

In three hypotheses of this research, the dependent variable is "environmental accounting development", which we want to determine the impact of independent variable on it, and independent variables include "environmental criteria and standards" in the first hypothesis and "existence of associations and groups of environmentalists" in the hypothesis Second, and "Managers' awareness of the importance and effects of using environmental control systems" in the third hypothesis. The research includes companies that have a significant contribution to environmental pollution, but the number of attention paid to polluting industries is mainly government and military, and exclude outsourced reporting, and do not follow the business accounting system, and do not include some costs, including environmental costs, so These companies are not part of the research community. On the other hand, as 60% of the country's industries are concentrated around Tehran, the statistical population of this research includes all companies admitted to the Tehran Stock Exchange that are environmentally friendly and located in the province of Tehran.

In this research, the following tests have been used:

- Cronbach's Reliability Test,
- Student t-test
- Test the ratio of success in society.

Research Findings

Based on the findings of the survey on the information obtained from the questionnaire, most respondents believe that the environmental laws and regulations of the manufacturing companies are theoretically and practically weak and defective, and these laws do not have the ability to force companies to protect the environment because, firstly, Most of them are old, and the penalties imposed on them do not fit into the current state of the community, and secondly, there is not enough executive guarantee, so the need to amend or draft new laws to prevent or reduce the environmental damage of polluting companies is essential. Respondents also think that there is a need for a standard on how to deal with environmental issues and to reflect and disclose relevant information, and this guide can be provided by professional accounting committees such as the Accounting Standards Board since these can oblige companies to comply with these procedures. Information disclosed on this basis may affect the users' financial statements.

A poll conducted in this study found that out of the 72 companies in the sample, 63 companies had air pollution, and 85.5% of the companies said they used filters or other suitable tools to reduce or prevent contamination, and the rest of the companies They do not contain contaminants. 80% of companies using environmental control tools each year are restoring these tools, and more than half of them have stated that these costs are not substantial for companies and are not reflected in proper accounts in accounts and, in comparison with other costs, the importance Not much. Given that the pollutants of these companies are harmful to society and that every day we hear about the damage to people and the environment, it can be concluded that these companies do not pay much attention to the costs of preventing or reducing their pollution due to lack of laws and regulations.

On the other hand, out of the 72 companies in the sample, 70 companies have been waste, and 85.5% of them have stated that their waste results from the company's production process, of which 85.3% said that in the waste generating companies it is possible to recycle There is a waste, but the information provided shows that only 44.4% of them can recover the waste and others do not do this. Interestingly, 66.1% of companies that do not recycle wastes claim that they will incur expense for transportation and do not have the rest! So you have to see how unpolluted waste is repelled at no cost!

Also, companies that have contaminated waste are often not well targeted for the cost of this pollution, and the cost of this pollution is not important to them Of the sampled companies, 60 percent stated that they had taken measures to reduce their pollutants, and 83 percent said that the result of these measures was fruitful, and finally, it should be said that among companies, 58 percent stated that they had the ability to inform They have community members. Of these, 58.6% of the results found this to be fruitful.

Conclusion In this research, we have investigated the factors that led to the lack of environmental accounting in India, and, by drawing attention from the perspective of accounting to the environment, we have made an effort to protect the environment. In other words, we sought to provide an accounting solution to protect the environment and, on the other hand, explain the position of environmental accounting and find answers to the following questions.

- Do environmental polluters have to spend on environmental costs to reduce or compensate for their pollutants?
Do companies have a right guideline or approach to address environmental costs?
- Do administrators care for the community and the environment and try to protect it?
- Can managers provide the community with appropriate information about the environmental costs of the organization and its control systems?

In response to problems and problems, the need for appropriate and timely rules and regulations and the need for professional accounting societies to address the issue of environmental accounting, as well as the attention of managers to environmental control systems and attempts to make expenditures to compensate for pollution We made

Individually, the results of this study can be summarized as follows:

1. Environmental considerations result from the disproportionate use of natural resources. This creates the concept of unsustainable development, which seeks to identify the costs of using natural resources and promoting cross-border equity. At the same time as environmental degradation has recently emerged from the thresholds of the past, the requirements for regular environmental accounting have been created to enhance the transparency and accountability of companies and institutions. Environmental accounting should not only provide a sufficient warning system for environmental incidents but ultimately promote ecological considerations in governance. While it is possible to highlight immediate and focused attention in this regard, the need for a comprehensive law to address the issue of disclosure and accounting system will continue to exist.
2. One of the first and foremost, and at the same time, essential and effective measures to combat pollution and environmental destruction, as well as prosecution and punishment of perpetrators of environmental crimes, is the formulation and regulation of various environmental laws and regulations. To become more successful in protecting the environment and preventing all types of pollution and destroying environmental manifestations, countries are working to improve the laws and regulations regarding the development and advancement of industry and technology and the creation of new forms of pollution, as well as the experience gained in judicial procedures. Progressive and, at the same time, practical and useful regulations. In the field of environmental laws and regulations

in our country, given the developments and the growth of industries and the transformation and the occurrence of various types of pollution, it is necessary to establish and approve various environmental laws and regulations in various fields, especially in areas where there is a higher vacuum. Also, some laws and regulations for environmental pollutants require revision and revision so that companies can be useful in the light of the current state of affairs. Adopting and enforcing laws will lead companies to continue to focus on avoiding or reducing pollutants and reporting on their performance status on how to deal with pollutants and how they are used to prevent or reduce pollution.

3. Organizations need to be familiar with the use and use of this accounting system and have the appropriate procedures and guidelines that are required by the editorial authorities. Therefore, it is imperative that the guidelines of the accounting guideline provide an appropriate procedure and guidance on how organizations deal with environmental costs and ultimately lead to the creation and implementation of a general environmental accounting.
4. In addition to the responsibility for the preparation and publication of required standards or the completion of existing standards, the Environmental Protection Agency is required to lead the streamlining of public opinion and the training of senior executives in relation to global environmental standards. The fundamental principle of the ISO 14000 series standards (ISO 14000) is the commitment of the senior management to the need to preserve the environment and responsibility for the next generation, and this is only important by educating the responsible managers to understand the pollution from industries, their destructive effects on Environment, ways to reduce pollution and laws, regulations and standards, and if managers are concerned with contaminating and environmental protection systems, they want to spend on environmental damages and try to properly address their environmental concerns for society. Moreover, this last step through the system Accounting information is carried as a perfect tool to help manage.
5. Environmental accounting includes a set of activities that enhance the capacity of accounting systems to identify and record the effects of environmental degradation and pollution. Considering that during the recent years, the pollution situation in our country has been increasing and manufacturing companies have contributed a lot, attention to environmental accounting is essential. In other countries, the concept of environmental reporting of companies began decades ago, and many studies have been done in this regard. However, since now, we are in the process of generating environmental and pollution damage from many countries; there has not been proper research in this area.

According to the results of this research, the following suggestions can be made:

1. The development of accounting in the field of dealing with environmental costs is primarily because companies are not obliged to do so. Therefore, revision and attention to the amendment or formulation of some rules are necessary.
2. The lack of an executive instruction on how to deal with and reflect environmental costs has made companies difficult to reflect and have implemented different procedures. Therefore, it is necessary to have a uniform and appropriate guidance to the organization so that the environmental performance of the organizations can reach the users of financial information.
3. In accounting education, the needs of the community should be considered while teaching accounting advances, and one of these needs is the existence of a healthy and clean environment for living. Therefore, it is necessary to pay attention to the environmental issues and how it reflects its costs, though negligible.
4. Universities should be able to explore and research in each field the problems of the community that are related to accounting by providing research resources from other countries.

Also, researchers' attention to the following areas can contribute to the development of environmental accounting in India:

1. This research has been carried out on the deterrent factors of the development of environmental accounting in India and introduces this system. Researchers can complete the study on a detailed basis, for example, on environmental debts or how to deal with environmental costs or exposure.
2. This research has been carried out on public corporations admitted to the stock market. This research can be done for state-owned companies that follow their own standards.
3. The problems and losses of companies with the environment in our country are increasing day by day, and as a result, the accounting system requires more attention to reflect the costs of companies. The need for research on how to disclose social reports and their impact on investment decisions or stock prices can be considered.
3. To make sure that the correct way of reflecting environmental expenditures in company reports is to ensure, we need individuals or groups to monitor and comment on them. Therefore, environmental auditing of companies can be essential for our society.

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