Importance of Environmental Accounting and its Role in the Estimation of Environmental Costs

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ABSTRACT

Environmental accounting comprises a set of activities that can enhance accounting systems for identifying, recording and reporting the environmental impact of degradation and pollution. Environmental accounting based on the integration of environment as a source of capital and consideration of environmental costs as an acceptable cost of computational and economic processes. The purpose of environmental accounting is to provide information for performance evaluation, decision making, monitoring and reporting to managers to help. Environmental accounting based on economic and environmental implications and the lack of market value, based on its use requires a change in culture Environmental accounting as part of wider changes in the organization and the community it offers. And providing more basic understanding of and participation in daily work activities targeting sustainable development as a specific approach helps. The environmental sensitivity of the issue, whether as a requirement for external or internal, environmental accounting, environmental costing is linked with the Intention And subject to the actual cost of the firm's economic profit will yield its influence is very important. Of environmental costs in economic activity would be justified when positive things in the future performance of the firm's profit to be had. This will be discussed in the following article.

INTRODUCTION

Due to population growth and the limited resources available in today's issue of environmental protection has been regarded as one of the major problems of human society.[7] Knowledge economy "environmental" or "green accounting" in the knowledge that contributes to the development and sustainable utilization of natural resources. Knowledge or the department of environment and development of environmental resources is assessed,[5] Tries in the science, technology development, and socio-economic development of people in order to achieve sustainable development and environmental considerations to help. The essential point is that the science of economics and environment are not separate from each other, not found in any economic decision that there is no impact on the environment there is no development environment where the economic impact is not seen. Environmental economics is trying to "environmental" and "economic activities" to help reconcile work and performs economic tools and theories. So the environment will require an environmental management system that is integrated with other management systems to be implemented.[3] Environmental management system is a tool that enables organizations to which it provides a level of environmental performance and gain control of and it is the system.[6] Accounting information system as an important component of management information systems can play an important role in helping to protect the environment from pollution by manufacturing companies take on. According to the organization's goals and the surface area provided by the system of social accounting has played its role, followed by the cost and environmental benefits are achieved.[7] Nowadays, there are some limitations with regard to the environment, especially in global trade and competition narrows, inevitably some Companies profit from one hand to remove these constraints and achieve greater revenue and brand popularity, have to bear the costs of environmental And the positive evaluation of specific function of protecting the environment, they are forced to reduce the cost. To manage the environmental costs first requires identification is necessary, as well as costing environment that can enhance the value of the

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company.[9] International standard ISO 14000 series is a management control system Environmental performance of the company in a way that defines the requirements of this standard cover in total, for the purpose of Company that processes, communication and safe environment to carry out their activities. Some Iranian trading companies, including companies in Tehran Stock Exchange, has attempted to create an environmental management system and the actual cost to participate in this direction is imposed, but the costs, benefits and the added value it will bring.[1] Issue of environmental accounting in the form of independent activity can be measured and one of the following reasons, according to a pattern of continuous improvement in the implementation process of environmental audits, Feedback necessary accounting information systems, completion of the audit was to assess the performance of managers in order to make continuous improvement in practice.[13] On the other hand, external financial reporting, with regard to environmental performance, the costs and benefits of environmental programs and objectives of management for external users and provide some of the benefits bear the cost of environmental just qualitative And not objectively measurable, but with appropriate disclosure in financial reporting positive views of the shareholders and the capital market can be created and subsequently through increased Increase the value of the shares, thereby increasing shareholder wealth was. It is necessary for individuals, governments, corporations and professional organizations are waking up to the environmental challenges.[5] For example, in Great Britain in the name (such as petrochemicals Great Britain) and in the school environment is attained improvements in accounting; The company also explicitly acknowledges that the environment is under threat so that companies have a responsibility towards their activities so now Activities duty of stewardship toward the environment (nature), and it is necessary to appreciate the vast networks of environmental and social systems work.[6] Second, the traditional accounting paradigm with certain strictures on accounting figures, it can be taken into the environmental impacts of corporate activities. An environmental accounting system is needed to measure and expose the company's environmental impact.[2] This should include issues about accounting for air pollution, water and preparation of extract natural resources.

In particular, there are three approaches to this concept:
1-cost (price) of damage,
2-Avoid
3-Rehabilitation and correction.

Initially be imported injuries resulting from impact to be considered in the second stage the costs of preventive measures to prevent the destruction of the environment should be considered first and third the cost of restoring the environment to its pre-impact company on it, be calculated. New environmental approaches and systems need to be adapted to measure the consequences of environmental destruction. (Much) show that the accounting industry is interested in making money externalities (external) is. (Rubinstein) Legendary model for a silviculture company developed and introduced as an experimental study in Canada.[11] (Bibbington) and others were used to complete the accounting industry.

And attempted to determine and measure the effects of restructuring costs and avoid outdoor activities in New Zealand to apply for a research center. Thus, the negative external factors such as pollution and loss of biodiversity have been considered in the calculation. They believed that the full cost of environmental activities can be expressed in monetary figures and the environmental impact assessment, and the ones that have the possibility to avoid or modify the environment, be taken into account. They form a critical model of industrial accounting fully for economic resources has made it (SAM) called. The model, the cost of imported damages arising from economic and social processes and environmental resources in order to re-engineer the issue of oil and gas development projects, is measured. SAM model for a large number of other projects and was also used to organize and Urban Development. (Davies, 2009) described how SAM models, industrial accounting basis for better educational models to evaluate the fundamentals that shape. (Fige & Hahn, 2004) as they provide added value to have a different approach based on this perspective by assessing whether value-added products are created; approach, the allocation of the life cycle of social indices environmental. (Gauthier, 2005) devised and developed the life cycle allocation for manually charging the battery used. Finally Herborn, 2005 observed environmental cost accounting (FCEA), contrary to what was default, not because of its specific measurement methods, are under pressure and he also received the Environmental Cost Accounting General Department of Forestry in Australia is considered as a solution provider for environmental accounting and valuation methods, plays a key role. . Critical parameters in the micro and macro levels, is optimistic and hopeful. The concepts of critical development globally by the International Forum of the Global Reporting (GRI, 2000) have been operating in the system of national income accounts. So, for example, an economic and environmental accounting (SEEa) by the United Nations Statistical Commission (Lange, 2007) as well as systems were developed in various countries such as Great Britain In such initiatives, a range of critical performance indicators to measure economic performance, environmental, social and expanded. This is critical in the stock market indices (Dow Jones) in America and (Fotse) were developed in Great Britain (Fowler & Hope, 2007). Critical performance indicators are based on previous work (Dierkes and Preston, 1977) is a collection of statistical references and measurement methods were developed. (Walter and Stuzel, 2009) to a broad set of...
indicators for environmental performance indicators and analysis based on life cycle noted that ecological efficiency and performance measurement against critical targets, carried out. They both quantitative data and qualitative data used and the results were overwhelmingly in his critical approach and gained uncritical approach. Louise and Chambers (Lewis and Chambers, 2001) unlike other initiatives, ecological analysis to reach a critical indicator for trade and business use, this model focuses on all flora and fauna and their natural position. Finally proposed that Critical parameters can be used as scale health and natural assets. Monetary and non-monetary valuation also search out various systems, potentially as part of the innovation required is continuous. Now a variety of payment systems, such as systems that are used in the market (such as timber sales) as well as systems that are used in the market (like the dialogue), there. The theoretical framework suggests that organizations perform their public duty, the environmental performance of their rightful owners (capitalists) are disclosed. (Owen, 2003) showed that European companies, German and Scandinavian traditional form entry technologies. For example, the situation in Europe is the European Environmental Reporting in Great Britain, the government will manage corporate environmental reports (deter, 2000). If companies are going to carry out their public duties, it seems that the following tentative suggestions can be used in the reporting process. They can also be used as standard as well as optional guidelines. For example, (Cho et al, 2008) proved that their study provides empirical evidence that companies that have been affected by this research have tried to reduce their environmental impact or modify the regulation to disclose (trying somewhat shirk) and political ways, despite the progress on environmental issues at the global level has been used. So much more than a Disciplinary Regulations is optional. Following statements in annual reports or companies can provide separate environmental reports said.

Applications of Environmental Accounting:
1 - The application of environmental accounting costing generally assesses institutional demand for the product and the price that the market is willing to pay for a product that the market conditions are considered. To determine sufficient profit to justify the cost price of the product should be compared with the market price. Manufacturer when deciding to specify the type, amount and price of its products to factors such as market conditions, customer retention and long-term growth, according to industry. The most important factor associated with product costing is correct. In situations where it cannot effectively allocate environmental costs Cross-subsidies between products of the kind will happen. In most cases, several products are manufactured in a different manufacturing process and each process has its own environmental costs.
2- Applications of Environmental Accounting for investment decisions: the first duty of business unit management, identification and measurement of environmental costs is a systematic and sustained manner. One specific application of environmental accounting for the total cost of the investment is assessed. The method is evaluated by investors, especially investment environment more accurately assess the potential profitability of investments used to be. Four key elements of evaluation methodology which provided more useful information than any other models of evaluation include:
• provide a more comprehensive manner, including indirect costs and intangible costs as well.
• Optimal allocation of shared overhead costs that are generally considered to be unsuitable based on cost drivers are assigned or not assigned at all.
• Evaluate long-term projects in order to gain more benefits from the investment over a period of time, usually after 2 to 3 years is recovered.
• Profitability indicators that consider the time value of money.
3- Environmental Accounting application design strategies: understand the nature and size of the long-term operating costs of each business unit is critical to its success. Business units that design strategies to market their goods and services provided And the resources that are in control are viewed and then be in a position to make decisions about the specified topic Where is the best profit potential and what strategies are needed in order to obtain this benefit. Can potentially benefit significantly through the environmental costs and how to manage these costs be affected. The strategic element of the accounting environment is considered long-term success of the business unit.

MATERIAL AND METHODS

Environmental Accounting includes activities that enhance the ability of accounting systems In order to identify and record and report the impact of degradation and environmental pollution. Given that in recent years our country has increased pollution and production companies have made great contributions in this field, According to the accounting environment is essential. In other countries, the concept of corporate environmental reporting several decades ago and started spending a lot of research has been done in this area. But, now, we are creating environmental damage and pollution in many countries is being overtaken, proper research has been done in this area. Search articles and studies done in Iran and other countries and has been searching the internet and other authentic books.
Discussion and conclusion:

Comprehensive environmental accounting tool to insert environmental considerations in business decisions. Enter the internal environmental cost accounting system will help companies make decisions that increase the long-term profitability Improved environmental performance as well as the green industry with their introduction to capital markets, increase shareholder wealth can provide. Adopting this kind of company accounting can fit in a competitive situation with other accounting firms that are prevalent in the work place. Environmental accounting system is based on the idea of classic and completing an accounting changes that. In this regard, the costs resulting from pollution And its removal as a function of the product or service along with their benefits and costs of goods and services is calculated Environmental cost management system should be a way of accounting for all environmental costs Internal social and environmental costs together to share the costs and design of products and manufacturing processes, and employs the company's future decisions Although small-scale enterprises and the limited and can increasingly make progress on environmental accounting. Companies can implement the environmental accounting in which costs as much information about them, and then move towards activities that More information about them and move them to the work environment are more difficult to determine income and expenses. Where it is difficult to estimate the environmental costs of internal company or organization's senior management in identifying and tracking these costs do not considerable support Perhaps these costs Estimated to be evaluated qualitatively.

Environmental Management Accounting:

Environmental accountings in management accounting services to business unit managers provide. Can manage the number of decisions made following information from its internal environmental accounting is entitled

- Product design.
- The design of the production process.
- Evaluate performance.
- Investment in fixed assets.
- control costs.
- Waste Management.

REFERENCES