

## **The Commitment of the Industrial Companies to Contribute to Public Disclosure on the Costs of Environmental Pollution**

**Dr. Badir Mohammed Alwan**

Assistant Professor

College of Business Administration and Finance

Accounting Department

Philadelphia University

Amman, Jordan

### **Abstract**

*Regard to this section address the accounting measurement of environmental costs, and disclosure of accounting for environmental costs, and the role of accounting standards in the field of environmental cost accounting. The issue of environmental pollution has become one of the important trends and modern, which received considerable attention in recent years in different societies, countries and due to the increasing role played by the environment in our lives. That the overlap of many factors affecting the environment through over-exploitation and lack of commitment to the application of standards protecting the environment by industrial companies lead to environmental pollution, which affect the businesses and communities alike, which result in industrial companies the obligation to pay compensation for the pollution that happened and policies pollution prevention. The objective of this research study controls and standards for preserving the environment and the commitment of the industrial application. And the commitment of industrial companies to disclose the environmental statement and the need for environmental cost accounting to analyze the elements of the environmental costs and find out the role of advanced production methods in the presence of environmental costs. The importance of this research in the handling of one of the crucial problems facing the industrial plants in the present day, is how to reconcile the reduction rates of environmental pollution and to achieve an excellent level of environmental quality is considered the problems of environmental pollution of the most important problems of the times facing all levels of international and regional, even in the industrialized countries developed and developing countries, where environmental pollution leads to an imbalance between the elements of the environment, and thus influence the natural resources available and have enjoyed the theme of environment protection from pollution and global attention. Has been tried in this study to answer the following questions:*

- 1. Do you applied industrial companies accounting environment in the books and records.*
- 2. Do you deal with industrial companies accounting principles in proving the calculation of the environment and how they are displayed in the financial statements?*
- 3. What are the problems faced by accountants when you apply the foundations and rules of the environment or pollution.*

### **Introduction**

Regard to this section address the accounting measurement of environmental costs, and disclosure of accounting for environmental costs, and the role of accounting standards in the field of environmental cost accounting. The issue of environmental pollution has become one of the important trends and modern, which received considerable attention in recent years in different societies, countries and due to the increasing role played by the environment in our lives. That the overlap of many factors affecting the environment through over-exploitation and lack of commitment to the application of standards protecting the environment by industrial companies lead to environmental pollution, which affect the businesses and communities alike, which result in industrial companies the obligation to pay compensation for the pollution that happened and policies pollution prevention. Escalated in the past few years the attention of scientists and researchers to study environmental problems and finding appropriate solutions to overcome them, and the United Nations is a prominent role in this regard, where given the problems of environmental pollution and environmental development careful attention, through the United Nations Programmed of the environment that deals with studies and research environment and to find positive solutions effective to protect against environmental pollution.

**Research objectives**

The aim of this study through the following points:

1. Study the regulations and standards of environmental conservation and industrial companies over the full application.
2. Study the extent to which industrial companies to disclose environmental.
3. Statement of the need for environmental cost accounting.
4. Study and analysis of the elements of environmental costs.
5. Indicate the role of advanced production methods in the presence of environmental costs.

**The importance of Search**

The importance of this research in the handling of one of the crucial problems facing the industrial plants in the present day is how to reconcile the reduction rates of environmental pollution and to achieve an excellent level of environmental quality. And highlights the importance of this study through the following points:

1. Study controls and standards for preserving the environment and the commitment of the industrial application.
2. Study the extent to which industrial companies to disclose environmental.
3. Measure the environmental costs contribute to the provision of information necessary for planning the project activities on the basis of realistic.
4. Put forward ways to reduce or prevent pollution to acceptable limit or that the project made modifications in the design methods of artistic production. It is worth mentioning that the experiences of many of the projects indicate that such studies have led to the conversion of some of these waste materials are useful to verify income for the project.
5. Not measure the expenses related to the pollution of the environment the project is contrary to the assumptions and the accounting principles generally accepted as follows:

Where it is not logical to assume "the continuation of the project," while the elements of and justification for this to continue is in doubt or in the subject of a threat as some consumers in some countries are interested in goods that are not polluting the environment, Measuring expenditure can lead to greater control over pollution and reduced impacting positively on the reputation of the project and consequently on its continuation and growth. Thus, the lack of attention to measuring the costs of environmental pollution contrary to the relative importance of private and that in some cases it may be the acquisition cost of pollution control equipment is greater than the investments required for the acquisition of original equipment occurring pollution itself. In addition, the concept of "stability" are intended to be accounting information can be compared both with the same project data for other periods or with other projects.

**Research problem:**

The problems of environmental pollution of the most important problems of the times facing all levels of international and regional, even in the advanced industrial countries and developing countries, where the cause of environmental pollution to the imbalance between the elements of the environment, and thus influence the natural resources available and have enjoyed the theme of environment and protect it from pollution world attention. This study is trying to answer the following questions:

1. Do you applied industrial companies accounting environment in the books and records.
2. Do you deal with industrial companies accounting principles in proving the calculation of the environment and how they are displayed in the financial statements?
3. What are the problems faced by accountants when you apply the foundations and rules of the environment or pollution.

**Hypotheses**

Based on the problem of the study was developed following study hypotheses:

1. Do not apply industrial companies accounting environment in the books and records.
2. Industrial companies do not deal with the accounting principles to prove the calculation of the environment and how they are displayed in the financial statements.
3. No problems with the application of accounting principles and rules of the environment and pollution.

## **Research Methodology**

The researcher in collecting data and information on the following methods:

First, data collection:

1. Primary sources: Back to the Arabic references, which focused on social responsibility accounting in general and the accounting environment in particular.

In addition to the references, which focused on the costs of pollution to disclose environmental accounting. And the use of modern means of communication (the Internet) to collect data and information relevant to the subject.

2. Secondary data: especially in the questionnaire, containing the personal characteristics of the study sample and data variables in the study.

### **Second. The methodology of the study**

1. This study used a descriptive approach based on analytical methods in statistical analysis and interpretation of the results of the study was to rely on two methods of data collection are:

- Study of the opinions of the accounting literature and previous studies.
- Field study using the questionnaire method to collect data on environmental disclosure.

### **Third. The community and the study sample:**

Consists of community and a sample study of officials in the Phosphate Mining Company Co., Ltd. and having an environmental waste. Were distributed (60) questionnaire was recovered (59) of them.

### **Fourth. A tool of measurement:**

Part I: consists of the personal information of a sample of the study include the educational qualification, years of experience, field work and scientific specialization.

Part II consists of a set of questions on the subject of study as described in the resolution

### **Previous studies**

There are many studies and research that dealt with the problem of environmental disclosure:

- A study of Abd al-Barr (2001) on the accounting standards in environmental disclosure between theory and practice in the Egyptian industrial companies was aimed at verifying the existence of accounting standards related to environmental disclosure and the possibility has been applied to this study reached the following results:

1. That environmental legislation is an opportunity for re-engineering the definition of industrial processes for industrial companies, or any activities of a particular significance for the association and protection of the environment, both within companies or from the surrounding community.

2. Industrial companies did not disclose the study sample what you are doing about the environment in terms of accounting for and disclosure and transparency.

3. That the commitments developed for the accounting profession, particularly management accounting refers to the need for attention to economic units to ecological matters, especially those affecting the financial statements and then become the information that was disclosed to the service for the owners of interests, the opposition is very important for the effect of readings investment as disclosed from those economic units.

- In a study of Shashaah 1991, for accounting social responsibility application to industrial companies contribute to the public, which aimed to identify the views of the three categories related to the industrial companies and officials in government agencies and chartered accountants also aimed to propose a model accounting for the disclosure of social activities for industrial companies to contribute to public summarized the study:

1. Realize the weakness of the three bodies of the concept of social responsibility and accountability due to lack of clarity of this concept.

2. There is a need to accounting system for the disclosure of social performance of those companies.

- In a study Aljahmani 1995, accounting for social responsibility in order to identify the phases and the extent of the environmental awareness of decision makers in companies listed on the Stock Exchange of the concept of social responsibility and their willingness to shoulder such responsibility, has summarized the study the following results:

1. That corporate decision makers aware of the study sample concept of social responsibility, but they do not pay the same interest in the various fields of human resources are given priority, followed by consumers and the environment and the local community.
2. Show that if the requests of the sample companies pay large sums flipped positions of decision-makers to the opposition.
3. That the application of social responsibility accounting legislation requires legal as well as the adoption of uniform accounting model.
4. Most of the companies that published the study sample descriptive information on social performance.

### **The concept of social responsibility**

Means of social responsibility in the economy: settling accounts for the economic performance of the whole community

And the term is used here to mean the measurement and delivery of information on the facility after the welfare of workers and the local community and the environment, or in other words, to include social accounting Non-financial measures alongside financial measures of performance.

### **The importance of environmental accounting**

We have reflected the evolution of economic thought on accounting thought in terms of attention to social responsibility for the integrity of the economy. Since the issuance of each of the study of American Accounting Association in 1973 which confirmed the need to provide information on the environmental impacts of the project and study the Association of Chartered Accountants of the U.S. in 1973 about the objectives of financial statements which states explicitly on the necessity of the report on the activities of economic unity, which have an impact on society as one of the main goals of the financial statements. She also stressed the importance of disclosure for the fulfillment of the established social responsibility, which should be on the same degree of importance of economic responsibility to disclose the basis for achieving social welfare.

### **The concept of disclosure in general**

Known disclosure that informed investors on the information that matters to them with regard to their investments, and determine its requirements under the law and instructions so that derives compulsory from the Securities Law No. (12) For the year 2004, instructions and decisions issued by the Board of Directors on the basis of the law, not only the process of disclosure to shareholders of the company only but it includes the provision of information to all investors in general. And imposes disclosure by issuers of securities and insider who learn about the inside information by virtue of their office or their work, including management and staff of both the Authority and the Market Center and the CDS. The most important fields, they are continuous disclosure and periodic reports are essential and important events and people familiar with dealing and disclosure on securities firms and disclosure at issue and when the listing and disclosure relating to investment funds.

### **The concept of the environment**

Is the total of the things that surround us and affect the existence of living beings on the earth's surface including water, air, soil and minerals, climate, and the objects themselves can also be described as a group of systems, interlocking with each other to the degree of complexity that affect and determine our survival in this small world and we deal with on a regular basis.

Accounting concept of the environment: Has begun to interest accountants to the environment that emerged after the negative aspects of exploitation have appeared several names in the field of accounting refer to this aspect, including:

- A. Green accounting.
- B. Environmental accounting for sustainable development.
- C. Environmental and economic accounting.

Whatever the label, it means the inclusion and integration of process measurement and disclosure of accounting and economic activities and programs that impact on the environment and exercised by the economic units.

Some would say it was "to identify and measure the costs of environmental activities and the use of those Information in making management decisions in order to reduce the environmental impacts of environmental Negative for the activities and environmental regulations and removed pursuant to the principle of polluter pays "

### **Environmental disclosure**

The concept of environmental disclosure: That the disclosure of information on costs and environmental obligations is important to clarify items in the balance sheet and income statement or to increase the explained and can include information that is disclosed in either of these financial statements or in the notes to the financial statements or in some cases, part of the report which related to data Finance itself.

### **Environmental costs**

Must be disclosed in the notes to the financial statements about the size of the environmental costs charged to income, which differentiate between operating costs and non-operational and analyze properly the nature and size of the business or the types of environmental issues related to the company, as well as the amount of environmental costs sent during the period may include the types of items and that they do not limited to the following:

- Effluent treatment.
- Treatment of waste gases and air.
- Solid waste treatment and restoration of sites.
- Recycling and analysis, surveillance, compliance and repair the damage.

### **Environmental commitments**

Must disclose the environmental commitments both in the balance sheet and in the notes to the financial statements and when there is a great deal of uncertainty about the amount of the obligations or the timing of the settlement must be disclosed about it. Known environmental obligations as liabilities related to environmental costs incurred by the company and meet the criteria for recognition as a rival or commitment.

It should also reveal the nature of the obligations and environmental costs identified in the financial statements, including among those who, among other things, a brief description of any environmental damage, or any laws or regulations that require remedied, as well as a statement of any changes reasonably expected to take place on these laws or on the technology the list.

### **Recognition of the cost of the environment**

Centered issues related to environmental costs on the period or periods should be recognized where the costs which should be capitalized or closure in the income statement and in some cases may be related to the cost of environmental damage incurred in the previous example, the environmental damage which may be the right of prior possession of modern machinery or accident or other activities have been in the previous period and the cost reduction of hazardous waste originated in a prior period or the cost of processing that the accounting standards generally exclude the treatment of environmental costs in the settlement has had a previous period unless there is a change in accounting policies used or applied. As well as environmental costs should be capitalized if they are directly related or non-Flagged economic benefits generated by the industrial establishment in the future through:

### **Measure the costs of the environment**

For measuring the costs of pollution and processed in the accounting data to the accountant distinguish between two types of costs are:

1. The costs of pollution abatement: and falls under the capital costs of these items being spent in order to get the equipment and the equipment used to reduce the pollution caused by machines used in production.

Since the equipment to reduce pollution characterized by the same features that characterized the machines but they are different in terms of goals, where equipment is used to reduce pollution to reduce environmental damage caused by machinery used in production. Therefore necessary to separate these costs and processed independently in terms of measurement and accounting treatment.

2. The costs of decontamination: the costs that occur to remove the impact of the pollution caused by industrial activities taking place during the production processes, costs are spent on sterilization and removal of waste production and subsequent processing, and these costs, which constitute a burden on the income for the period spent in the dispute first type of costs that are being achieved the different accounting periods due to benefit from its services to more than one accounting period.

### **Suggestions for solving the problems of environmental accounting**

Become a problem of misuse of natural resources, environmental degradation of the biggest problems facing the developing countries, despite the fact that environmental problems we face today is not new, but we did not begin to understand its dimensions only recently after noting the impact of environmental degradation in the weakening of economic development and reduced its possibilities, there is no can be played on the development of the natural resource base crumbling, and cannot protect the environment when growth drops from his account the costs of environmental destruction, Development and the environment are two sides of one coin.

Has entered the phase of the subject is serious, after the World Bank called for the need to introduce environmental accounting into national income accounts or GDP, which measures the economic activity of society as a whole. The talk abounded and articles about the maximum amount of income continued to be consumed in the recipients specified period of time without reducing consumption is possible in the future.

This includes the concept of current yield and the change in capital assets, whether that increases income or less, According to this concept to the States must become acquainted with the maximum amount that can be consumed without depletion or degradation of environmental capital. This requires the development of the current accounting system of the United Nations is unable to absorb the cost of two things, namely the protection of the environment the so-called defense spending and the deterioration of natural resources.

Means of defense spending on the environment those actions taken by governments against the encroachments of economic activities on the environment and incorporated in the national accounting activities as generating income. What kind of a natural resource subject to depletion or deterioration such as water and soil should appear as consumption when calculating the national income, taking into account that the essential difference between defense spending and the depreciation of environmental capital appears in the Net Domestic Product and there is a difference between spending to reduce environmental damage and spending to prevent the damage and the latter is the so-called spending defense. And still this issue needs further study and research so that components can be separated from each other and define concepts properly.

In the context of development and environmental economist's link between the economy and the ecosystem, which cannot separate the economy from its environment, and existing relations of exchange between them. In this context, came to talk about the concept of opportunity cost is a measure of scarcity.

The marginal opportunity cost alternative which is a direct marginal cost plus the marginal cost plus the external marginal cost of an existing use. To calculate the required collection of a great deal of information about the various relationships between natural resources and economic activities and expectations of patterns of exploitation of the future and the evolution of future demand on natural resources and supply, the information you need to details not available at the moment, not in the developed world, nor in the developing world.

Finally, the environmental management are very important too, but this process has its ties to the institutional restrictions upon, The management of the environment need to be an information system developed and the quality of appropriate information and institutional system allows planning, monitoring, and provide trained staff to have had experience with the affairs of the environment and management. This is not available, but there are many constraints to environmental management, particularly the central administration and decentralized decision-making which prevents them from solving problems, and the multiplicity of executive institutions and the lack of appropriate training programs, and the absence of strategies for stable development, thereby hindering the work of environmental management.

There is a need to more flexibility and decentralization of environmental work and the need for clear links between the institutions that plan to the environment and those that implement, and standardize training and qualification programs, data collection and analysis.

### **Essentials for the application of environmental accounting**

Here goes the concept of environmental accounting of the general concept of the topics of more privacy in this area are:

Recognize the environmental cost and how the accounting treatment of these costs and reported. The researcher suggests finding a framework and strategy for the recognition, measurement and accounting treatment and reporting of environmental cost accounting.

Accordingly, should the transition from "good will" towards the environment to the stage of "good results" through the following:

- Understand and identify items related environmental facility.
- Transfer of environmental data relating to the facility to the amount of data measured in monetary units.
- Data processing environmental accounting.
- Disclosure of data relating to the environment in the data and the published financial statements, which are used appropriate to these costs.

### **Jordan Phosphate Mines Company Co., Ltd. History.**

Founded Jordan Phosphate Mines Company as a joint stock limited during the 1953 goals and engages in prospecting, mining and marketing of phosphate and fertilizer industry and contributes to the establishment of related industries in Jordan.

### **Company's contribution to environmental protection and community service.**

The company through its staff dedicated to the implementation of regulations and legislation in place globally, regionally and by conducting tests periodically to ground water and sea water used in cooling, gases and fumes emitted from factories, dust from plants unloading, loading and measuring the level of noise and radiation relying on the latest developments and the latest environmental standards.

### **Disclosure requirements for social responsibility:**

Because of the growing importance of standard disclosure of accounting information sought aggregates career in various developed countries to issue standards or specific data disclosure is a standard number ((5)), which is titled the information that must be disclosed in the financial statements, which is titled the information that must be disclosed in financial statements, which passed in 1974 and was revised in 1993, was also keen to include all the standard it issued rules to define both the limits and conditions for disclosure of information on the subject or subjects dealt with by that standard and that in order to provide the kind of international acceptance of the financial statements published.

This came in several standard items include item number ((1)) as follows:

Must disclose the following:

- Land and buildings.
- Plants and Minerals
- Other items of assets and properly identified
- Accumulated depreciation

as well as item no. (18) which states: You must disclose the following information:

- Sales or other operating revenues
- Extinction
- Investment Income
- Interest income
- Income tax
- Expenses of an extraordinary
- Revenues unusual
- Companies with significant operations of internal

It is possible to translate the previous items in the interest of disclosure on the costs of environmental pollution, which can be formulated as follows:

- Is to disclose the cost of each type of machinery and equipment used in the reduction of pollution.
- Is to disclose the effects of annual types of machinery and equipment used in the reduction of environmental pollution
- Is disclosed for research and development costs in reducing pollution.
- Is to disclose the amounts paid to the State institutions responsible for environmental protection
- Expenses of removing waste harmful to the environment after the completion of the production processes
- Other items of assets and properly identified
- Accumulated depreciation

As well as item No. (18) which states: You must disclose the following information:

- Sales or other operating revenues
  - Extinction
  - Investment Income
  - Interest income
  - Income tax
  - Expenses of an extraordinary
  - Revenues unusual
  - Companies with significant operations of internal
- It is possible to translate the previous items in the interest of disclosure on the costs of environmental pollution, which can be formulated as follows:
- Is to disclose the cost of each type of machinery and equipment used in the reduction of pollution.
  - Is to disclose the effects of annual types of machinery and equipment used in the reduction of environmental pollution
  - Is disclosed for research and development costs in reducing pollution.
  - Is to disclose the amounts paid to the State institutions responsible for environmental protection
  - Expenses of removing waste harmful to the environment after the completion of the production processes.

### The practical application

#### Introduction

After the exposure has been the subject of ((the commitment of the industrial companies to disclose the costs of environmental pollution)) will be here in the statistical analysis of the results using percentages and mean and will be discussed specifically chosen credibility alpha and results of statistical analysis and hypothesis testing.

#### First: The alpha test of credibility

I have been using alpha test of credibility are by 77% which is higher than the minimum acceptable level, a statistically significant 60% means that the answers of respondents on objective and reliable analysis and interpretation of statistical results.

**Table (1): Described members of the study sample according to qualification**

<b>Statement</b>	<b>repetition</b>	<b>rate</b>
MD	14	0.32
MA	10	0.16
Bachelor	25	0.42
Other	10	0.16

Note from the above table that Bachelor's degree holders are the highest percentage is 42% we also note that other disciplines are 32% and 16% and 16% said no members of the sample qualified.

**Table (2): Description of study sample by specialty**

<b>Statement</b>	<b>repetition</b>	<b>rate</b>
Accounting	21	0.35
Management Acts	15	0.25
Financial and Banking Sciences	14	0.23
Other	9	0.15

We note from this table that the accounting specialization is the highest rate of 35%, which means that the sample specialists

**Table (3) : Described members of the study sample by years of experience**

<b>Statement</b>	<b>repetition</b>	<b>rate</b>
from 1 to 6 years	22	0.40
from 7 to 12 year	13	0.22
from 13 to 17 year	13	0.22
17 What on	9	0.15

Note that this table are from the sample experienced a medium rate of 40% is from 1 to 6 years.



**Table (4): Described members of the study sample by area of work**

<b>Statement</b>	<b>repetition</b>	<b>rate</b>
Director of Finance	3	0:05
Head	17	0:28
Chief of Accounts	12	0:20
Employee	27	0:45

As in this table, the highest rate is 45%, which represents the staff, which means that the employees are from a qualified and experienced high.

### Base decision-making

I have been using a system for the design of the five-Likert questionnaire which was distributed to the sample so that each paragraph has given experience and five were given the following codes for the purposes of statistical analysis, namely:

1. Strongly agree was given the symbol 5
2. OK given the symbol 4
3. 3 were given a neutral symbol
4. Is not ok given the symbol 2
5. Disagree strongly were given Code 1

Therefore, the average default is 3 (54 321) / 5 so if the average paragraph or hypothesis (3) or more members of the study sample tended to accept the hypothesis.

However, if the average paragraph or less the premise of the number ((3)), it means that members of the study sample do not tend to accept the premise clauses.

### Statistical analysis of the results

Results of the statistical hypothesis that the first (does not apply industrial companies accounting environment in the books and records)

**Table (5) : Answers the sample and the results of statistical**

Number	Paragraph	Strongly Agree	OK	Neutral	Disagree strongly	Is not OK	Average	Ranking
1	There is an accounting system for the disclosure of social performance of the company	%31	%36	%17	%8	%8	3.54	3
2	There are legal legislation obliges the company to apply the cost of environmental pollution	%29	%39	%3	%12	%17	3.73	2
3	The company is to publish descriptive information about the costs associated with environmental pollution	%37	%42	%5	%7	%8	3.98	1
4	Disclose the company's potential costs related to the elements of the environmental costs	%24	%42	%27	%5	%2	3.34	5
5	The company is to disclose the costs of pollution for the reduction of pollution of capitalist	%31	%27	%22	%15	%5	3.39	4
6	Company is interested in environmental matters, especially those which publish on the financial statements	%19	%24	%32	%14	%12	2.84	6

Average is the hypothesis ( $20.82 / 6 = 3.47$ )

Note from the table that most of the financial ratios Supreme linked to rates approved and approved strongly, which means that there is acceptance from members of the study sample to the clauses of the hypothesis also notes that all the paragraphs except the sixth paragraph average is greater than the number 3 and this may explain why the corresponding and corresponding strongly larger than 50 % As can be seen that the third paragraph of the establishment of the company to publish descriptive information about the costs associated with environmental pollution occupies first place among the paragraphs of the first hypothesis, and that an average of 3.98 also notes that the second paragraph which there is an average value of 3.73 and of (the existence of legislation legally obliges the company to apply the cost of environmental pollution ) occupies the second place according to the study sample answers. As can be seen that the average hypothesis is 3.47 higher than the default 3 to the center so the members of the study sample is inclined to accept the hypothesis in all the above paragraphs.

### The second assumption

Industrial companies do not deal with the accounting principles to prove the calculation of the environment and how they are displayed in the financial statements

Number	Paragraph	Strongly Agree	OK	Neutral	Disagree strongly	Is not OK	Average	Ranking
7	There are aware of and fully aware about environmental issues affecting the company	%22	%32	%27	%12	%7	3.153	3
8	Be detected in the company in the notes to the financial statements about the size of the environmental costs charged in the financial statements	%39	%15	%24	%15	%7	3.39	5
9	Is to disclose environmental liabilities in the financial statements or Accessories	%24	%25	%34	%1	%7	2.983	6
10	Is to disclose the accounting policies related to the accounting environment in the financial statements	%27	%24	%25	%12	%12	3.153	3
11	That environmental disclosure in the company of information users can assess the company's expectations with regard to the environmental impact of performance on the financial position of the company	%25	%32	%25	%1	%7	3.254	2
12	Is to disclose the costs of decontamination and bases of accounting used	%25	%29	%29	%5	%12	3.102	4
13	Provisions are related to environmental pollution and are highlighted in the financial statements	%41	%22	%29	%5	%3	2.424	1

Average hypothesis is ( $22.459 / 7 = 3.21$ )

Note from the table above that most of the financial ratios Supreme linked to rates approved and approved strongly implies that there is acceptance from members of the study sample to the clauses of the hypothesis also notes that all paragraphs except paragraph nine average is greater than the number 3 and this may explain that the percentage corresponding to and approved more strongly of 50% also notes that paragraph (13) and of the composition provisions relating to environmental pollution and highlighted in the financial statements occupies first place among the paragraphs of the second hypothesis, and that an average of 3.424 also notes that paragraph (11)

There have average 3.254 and represented that the disclosure environment in the company's users can information to evaluate the company's expectations with regard to the environmental impact of performance on the financial position of the company occupies the second place according to the study sample answers. As can be seen that the average hypothesis is 3.21, higher than the default center (3) therefore, the study sample members tend to accept the hypothesis in all the above paragraphs.

### The third hypothesis

No problems when accountants when you apply the foundations and rules of the environment or pollution.

Number	Paragraph	Strongly Agree	OK	Neutral	Disagree strongly	Is not OK	Average	Ranking
14	Is determined by the amount of environmental costs sent during the accounting period for the preparation of financial statements	%22	%36	%25	%5	%12	3.169	3
15	Is to disclose the profits and potential losses resulting from the acquisition of fixed assets related to the reduction of pollution	%22	%32	%29	%1	%7	3.119	4
16	Is to disclose the cost of each type of machinery and equipment used in the reduction of pollution	%27	%25	%14	%2	%14	3.39	5
17	Is to disclose the effects of annual types of machinery and equipment used in the reduction of environmental pollution	%25	%29	%24	%2	%2	3.305	2
18	Is to disclose the costs of research and development in the reduction of pollution	%31	%24	%22	%22	%2	3.39	5
19	Is to disclose the amounts paid to the State institutions responsible for environmental protection	%22	%34	%2	%19	%5	3.322	1

Average hypothesis is  $(19.695 / 6 = 3.28)$

1. Note from the above table that most financial ratios Supreme linked to rates approved and approved strongly, which means that there is acceptance from members of the study sample to the clauses of the hypothesis also notes that all the paragraphs average is greater than the number 3 and this may explain why the percentage corresponding to the corresponding strongly greater than 50% We also note that paragraph No. 19 of disclosure of the amounts paid to the state institutions responsible for protecting the environment occupies first place among the paragraphs of the third hypothesis by an average of 3.322 also notes that paragraph No. 17 which there is an average 3.35, namely to disclose effects of annual types of machinery and equipment used in the reduction of pollution of the environment occupies the second place according to the study sample answers also notes that the average hypothesis is 3.28, higher than the default 3 to the center so the members of the study sample tended to accept the hypothesis in all the above paragraphs.

### Conclusions and recommendations

The researcher found the following results:

#### First, the conclusions

1. The company is based on the dissemination of descriptive information about the costs associated with environmental pollution.
2. That the company is no legislation obliges the company's legal costs of the application of environmental pollution.

3. That the company is no accounting system for the disclosure of social performance of the company.
4. That the company fined that environmental disclosure in the company of information users can assess the company's expectations with regard to the environmental impact of performance on the financial situation.
5. That the company is no disclosure of accounting policies related to the accounting environment in the financial statements.
6. That the company is to make provision relating to environmental pollution and are highlighted in the financial statements.
7. That the company is no disclosure of the annual effects of types of machinery and equipment used in the reduction of environmental pollution.
8. That the company is no disclosure of the amounts paid to the state institutions responsible for the environment.
9. Found that the company determines the amount of environmental costs sent during the accounting period for the preparation of financial statements.

### **Second, the recommendations**

1. Need to disclose the company's potential costs related to the elements of environmental pollution in the financial statements of the relationship.
2. Need to form a company to disclose the costs of pollution or to reduce pollution in the capitalist financial statements.
3. Need to take care of the company environmental matters, especially those of which shall be published in the financial statements.
4. Need to be detected for clarifications on the financial statements about the size of the environmental costs charged in the financial statements.
5. Need to form a company to disclose environmental liabilities in the financial statements and related accessories.
6. Need to form a company to disclose the costs of pollution and bases of accounting used in it.
7. Need to form a company to disclose the cost of each type of machinery and equipment used in the reduction of pollution.
8. Need to form a company to disclose the cost of R & D in reducing pollution.
9. Need to form a company to disclose the profits and potential losses resulting from the acquisition of fixed assets related to the reduction of pollution.

### **References**

1. Ahmed Kawaz. Expert's series 17. Arab Planning Institute – Kuwait
2. Dr / Mohammed Raddi al-Attiyah, Lecturer at the Institute of Accounting sufficiently productive - Zagazig University.
3. Prof. Dr. Samir Abu Saleh Fotouh. Financial Advisor for Community Service and Environmental Development, Mansoura University.
4. Alia Hanog and Mohammed Hamdan Al diyah. Ecology. Sunrise House for Publishing and Distribution, 1993.
5. Ghazi Mohammed Hajim. Introduction to Ecology, 1999.
6. Mammon Hamdan and Hussein Alkathi. Accounting theory. University of Damascus for publication 1995
7. Mohammed Fayoumi. Decisions in the accounting problems Dar University 2000
8. Mohammed Abbas, Amir Osman. Studies in the issues and problems of contemporary accounting. Knowledge House Publishing.
9. Abbas Mohammed Badawi, accounting for effects of environmental and social responsibility projects. Dar University for publication 2000.
10. Yusuf Jarbou and Salem Abdullah Helles. International Accounting. Warraq Foundation for publication, 2002.
11. [www.google.com](http://www.google.com)
12. [www.aaazsjeeran.com](http://www.aaazsjeeran.com)
13. [www.inciraq.com.2006/1101](http://www.inciraq.com.2006/1101)