

Faculty of business and economic

Environment, Pollution



Faculty of Business & Economic Department Of Accounting Seminar ACCT
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----- 1. 1 Introduction The accounting one science and knowledge renewable;, to its close association with variables of social, environmental and political, economic, so stand out and constantly problems accounting renewed need to be resolved, and problems accounting contemporary regarding environmental accounting, which is no longer interesting accounting thought exclusive in the internal environment of the facilities, but extends this attention to the external environment includes related directly and indirectly to the financial statements issued by enterprises (companies, organizations, institutions). This interest has been a reflection of the global developments of concern for the environment after the emergence of the obvious negative effects on the environment. The intellectuals and the owners of establishments finally understood and realize larger that they continue to drain and pollute environmental resources will threaten their existence in the future, as the environment is the main source for all their resources, and damage by not damaging to society only, but will extend to the economic damage to their companies and their interests. It has become necessary to find ways to measure environmental impacts, and

accounted for, and report on the environmental effects that can be caused by companies such as chemical industries, food industries, and electronic and other industries. Where he was recognized by the previously is not to obligation companies to bear the cost of pollution and preventive measures, as is happening today spread to the social requirements officials' accountable enterprises for environmental pollution they cause. The depletion of natural resources and that cannot be renewed - or, which is renewed slowly - for concern. Since accountants have a special role is very effective; due arrival direct to the financial information of the facilities on the differences, and their ability to improve or check the quality of information, and skills in the use of information, to help make good decisions for installations in areas such as investment appraisal, then they burden the largest in the measurement and disclosure and reporting environmental accounting information. Environmental accounting is on an expansion path. With increasing social focus on the environment, accounting fills an expectation role, to measure environmental performance. The status of environmental awareness provides a dynamic for business reporting its environmental performance. Examining the integration of environmental policy with business policy is the focus of this research. The business firm's strategy includes responding to capital and Operating costs of pollution control equipment. This is caused by increasing public concerns over environmental issues, and by a recent government-led trend to incentive-based regulation. The number of companies and other organizations solidifying their environmental approach and developing business activities that take the environment into consideration and encompass environmental

conservation efforts continues to increase. Efforts made in environmental accounting comprise a part of these environmentally-conscious business activities. Environmental accounting data is not only used by companies or other organizations internally, but is also made public through disclosure in environmental reports. The disclosure of environmental accounting data as one of the key elements in an environmental report enables those parties utilizing this information to get an understanding of the company's stance on environmental conservation and how it specifically deals with environmental issues. At the same time, a more comprehensive grasp of the companies and other organizations' environmental information can be obtained.

Environmental accounting is an inclusive field of accounting. It provides reports for both internal use, generating environmental information to help make management decisions on pricing, controlling Overhead and capital budgeting, and external use, disclosing environmental information of interest to the public and to the financial community. Internal use is better termed environmental Management accounting. " Environmental accounting" - sometimes referred to as " green accounting", " resource Accounting" or " integrated economic and environmental accounting" - refers to Modification of the System of National Accounts to incorporate the use or depletion of Natural resources. The System of National Accounts (or SNA) is the set of accounts which national Governments compile routinely to track the activity of their economies. SNA data are Used to calculate major economic indicators including gross domestic product (GDP), Gross national product (GNP), savings rates, and trade balance figures. The data Underlying these aggregate indicators are also used for a wide range of less publicized but

Equally valuable policy analysis and economic monitoring purposes. In this study, I will discuss the concept that has come to light in the recent years, which is Environmental accounting in a broad definition, and if it is applicable here in Palestinian companies? And what are the main effects in management and audit side? And to what stage has accounting companies in general use this concept in its business.

1. 1. 1 Environmental Accounting Background

The number of companies and other organizations solidifying their environmental approach and developing business activities that take the environment into consideration and encompass environmental Conservation efforts continue to increase. Efforts made in environmental accounting comprise a part of these environmentally-conscious business activities. Environmental accounting data is not only used by companies or other organizations internally, but is also made public through disclosure in environmental reports. The disclosure of environmental accounting data as one of the key elements in an environmental report Enables those parties utilizing this information to get an understanding of the company's stance on Environmental conservation and how it specifically deals with environmental issues. At the same time, a more comprehensive grasp of the companies and other organizations' environmental information can be obtained.

1. 1. 2 Necessity of Environmental Accounting

The quantitative management of environmental conservation activities is an effective way of achieving and maintaining sound business management. In other words, in carrying out environmental conservation activities, a company or other organizations can accurately identify and measure investments and costs related to environmental conservation activities, and can prepare and analyze this

data. By having better insight into the potential benefit of these investments and costs, the company can not only improve the efficiency of its activities, but environmental accounting also plays a very important role in supporting rational decision-making. In addition, companies and other organizations are required to have accountability to stakeholders, such as consumers, business partners, investors, employees, local residents, and administration, when utilizing Environmental resources, i. e. public goods, for their business activities. Disclosure of environmental accounting information is a key process in performing accountability. Consequently, environmental accounting helps companies and other organizations boost their public trust and confidence and are associated with receiving a fair assessment.

1. 1. 3
1. 1. 3 Forms of Environmental Accounting

1. Environmental Management Accounting (EMA): Management accounting with a particular focus on Material and energy flow information and environmental cost information. This type of accounting can
2. Environmental Financial Accounting (EFA): Financial accounting with a particular focus on reporting Environmental liability costs and other significant environmental costs.
3. Environmental National Accounting (ENA): National Level Accounting with a particular focus on natural resources stocks & flows, environmental costs & externality costs.

1. 1 Problem Identification Environmental accounting is an important trend in many countries around the world, and it aims at achieving sustainable development, creating favorable relationships with the society and implementing effective and efficient environmental conservation activities. Therefore, there is a need to study it in the Palestinian context and to reveal the degree to which it is implemented. Research problem is in that the most

important objection by the communities, especially those with interests on the issue of environmental accounting at the apparent lack of recognition, measurement and accounting treatments and disclosure and reporting of environmental accounting.

1. 3 Objectives of the study

The objective is to improve the effectiveness of environmental accounting methodology, so that by employing the Guidelines in organizing environmental accounting data, companies and other organizations can monitor their data not only for publication, but also further their objective of internal environmental management.

- 1) To identify the definition, functions, roles and elements of environmental accounting.
- 2) To study the best way of applying environmental accounting.
- 3) To study the necessity of implementing environmental accounting.
- 4) To measure the effects of applying environmental accounting and the impact it has on effective decision-making.
- 5) To study the Palestinian economy and the degree to which it implements environmental accounting.

1. 4 Questions

- 1) What Is Environmental Accounting?
- 2) What Is An Environmental Cost?
- 3) How Is Environmental Accounting Applied?
- 4) Is there recognize among business organization to the importance of environmental accounting?
- 5) Are there international standards for Control and audit companies to implement environmental accounting?
- 6) Is Environmental Accounting Implemented In The Palestinian Economy?
- 7) What are the functions and roles of environmental accountings?

1. 5 Limitations

- * Time: Because it's a new topic and it needs a lot of time to learn the subject from all sides.
- * Place limitations: This study will take place in Ramallah city. The researcher might face obstacles in preparing this research such as:

1. Lack in cooperation

between the researcher and chosen sample. 2. Lack in studies which studied this research title deeply. Because this topic new * There is no enough books in the library. * There is no standard accounting method. * EA cannot work independently. It should be integrated with the financial accounting, which is not easy. * EA is a long-term process. Therefore, to draw a conclusion is not easy.

1. 6 Abbreviations (Ø§Û,, Ø§Ø®Ø²ØµØ§Ø±Ø§Ø²ØŸ) EA: environmental accounting SPSS: Statistical Package for the Social Sciences. EPA: Environmental Protection Agency. GNP: gross national product. PRPs: requires potentially responsible parties. CAAA: The Clean Air Act Amendments of 1990. GAAP: Generally Accepted Accounting Principles. FASB: Financial Accounting Standards Board. EMA: Environmental management accounting. SNA: System of National Accounts. GDP: gross domestic product. (IFAC): Federation of Accountants (ISA's): developed International Standards on Auditing Chapter two -Literature review - 2. 1 Previous studies (in study of Master's Thesis, 2005, Environmental Accounting): The growth in environmental accounting research and interest in the last few decades has experienced an optimistic time. Business is not an isolated island apart from the earth anymore; the emergency of environmental accounting came from outside stakeholder at the end of 20 th century. Following with the rising sense of environment conservation no matter from the public or the companies/organizations, environmental accounting has been pushed to a central stage of nowadays business. This paper firstly provides a brief view of the current development of environmental accounting. (in study Craig Deegan, Social and Environmental Reporting and its Role in Maintaining or Creating Organizational Legitimacy):

This paper serves as an introduction to this special issue of Accounting, Auditing & Accountability Journal; an issue which embraces themes associated with social and environmental reporting (SAR) and its role in maintaining or creating organizational legitimacy. In an effort to place this research in context the paper begins by making reference to contemporary trends occurring in social and environmental accounting research generally, and this is then followed by an overview of some of the many research questions which are currently being addressed in the area. Understanding motivations for disclosure is shown to be one of the issues attracting considerable research attention, and the desire to legitimize an organization's operations is in turn shown to be one of the many possible motivations. The role of legitimacy theory in explaining managers' decisions is then discussed and it is emphasized that legitimacy theory, as it is currently used, must still be considered to be a relatively under-developed theory of managerial behavior. Nevertheless, it is argued that the theory provides useful insights. Finally, the paper indicates how the other papers in this issue of AAAJ contribute to the ongoing development of legitimacy theory in SAR research. (Rikhardsson, P. M.; Bennett, M.; Bouma, 2005. Environmental Management Accounting: Status and Challenges) : the papers included in the book provide several examples of how EMA can be applied in practice both in large corporations and in small and medium-sized enterprises, and of various tools and techniques applied in this process. (Minga Negash. IFRS and environmental accounting. Denver: Emerald Group Publishing Limited.): The purpose of this paper is to examine whether International Financial Reporting Standards (IFRS) can be used for monitoring

environmental degradation. A comprehensive review of academic and professional literature indicates that the IFRS regime provides useful conceptual and practical frameworks for monitoring firms that are operating in environmentally sensitive industries. (IN IRS) Environmental remediation costs: This ruling holds that environmental remediation costs that are incurred to clean up land that a taxpayer contaminated with hazardous waste by the operation of the taxpayer's manufacturing activities are incurred by reason of production activities and are properly allocable under section 263A of the Code to the inventory produced during the taxable year the costs are incurred. Rev. Proc. 2002-9 modified and amplified. (Glen Lehman disclosing new worlds: a role for social and environmental accounting and auditing): This essay critically analyses modern social and environmental accounting. First, I argue that modern social and environmental accounting models have been developed based on procedural liberal frameworks that limit the proposals for reform. Second, social and environmental accounting focuses on the corporation as the accounting entity and mistakenly claims to be able to influence it. In developing another way to think and act about the environmental and social role of accounting, I consider whether modern communitarian thought can enrich the democratic process. The aim is to foster debate and dialogue concerning the role of corporations and their impact on nature. I argue that implicit in communitarian theory is democratic model through which language acts as a means to critically focus on the direction of accounting as an institution in the public sphere. (Keil, Isabell Environmental Auditing): This paper describes the necessity for environmental behavior and the different pressure groups

which influenced it. Different approaches to implement environmental protection are described, by focusing on industrial environmental regulation in Scandinavian countries and comparing those with that of the UK. The main part of this work concentrates on environmental auditing. Standards are described, which were developed because of the lack of legislation as far as environmental reporting was concerned. The problem of an exact definition of environmental audit is discussed before the different types of audits (internal and external environmental audit) and the impact of this relatively new area on the accounting profession are explained.

2. 2 History of environmental accounting:

Environmental accounting started receiving attention during the energy crisis in the 1970s. Although the issue was given consideration for a time, the energy crises ended and the 1980s ushered in a new era of economic prosperity. The practice of environmental accounting faded into the background before any standards for measuring economic impacts were developed. Legislation and agreement on how to account for environmental factors and what factors should be counted were difficult to come by. In the 1990s, a large upswing in environmental protection activism brought environmental accounting back into the consciousness of both consumers and businesses. Gradually some standards for environmental accounting were implemented by prominent accounting organizations such as the Financial Accounting Standards Board and the Accounting Standards Executive Committee of the American Institute of CPAs.

2. 3 Definition of environmental accounting

The common definition of environmental accounting is “ the identification, measurement, and allocation of environmental costs, the integration of these environmental costs into

business decisions, and the subsequent communication of the information to a company's stakeholders" (AICPA, 2004). Typical environmental costs include off-site waste disposal costs, cleanup costs, litigation costs, and other related costs (Stanko et al., 2006). Therefore it is sometimes also called "green accounting". Based on this definition and according to the traditional separation between FA and MA, the split can also be made between: - 'Environmental Financial Accounting' (EFA), which is aimed at external reporting of environmental and financial benefits in (sometimes verified) corporate environmental reports or published annual reports; and - 'Environmental Management Accounting' (EMA), which has no single, universally accepted definition, but according to IFAC's Statement Management Accounting Concepts (2005), is "the management of environmental and economic performance through the development and implementation of appropriate environment-related accounting systems and practices". It considers the financial impacts of environmentally related activity such as the implementation of environmental protection expenditure (UK Environmental Agency, 2006), and aims to take corrective management actions to reduce environmental impacts and costs, and is therefore "a tool for environmental cost control and management in order to positively correlate economic and environmental performance" (Jachnik, 2006). Expanding on the given definition EMA consists of "the identification, collection, estimation, analysis, internal reporting and use of materials and energy flow information, environmental cost information, and other cost information for both conventional and environmental decision-making within an organization" It includes both physical information on the use, flows and

destinies of energy, water and materials (including wastes) and monetary information on environment-related costs, earnings and savings (IFAC, 2005, p. 19).

2. 4 Functions and Roles of Environmental Accounting

The functions of environmental accounting are divided into internal and external functions.

(1) Internal Functions As one step of a company's environmental information system, internal function makes it possible to Manage environmental conservation cost and analyze the cost of environmental conservation activities Versus the benefit obtained, and promotes effective and efficient environmental conservation activities Through suitable decision-making. It is desirable for environmental accounting to function as a business management tool for use by Managers and related business units. (2)

External Functions By disclosing the quantitatively measured results of its environmental conservation activities, external Functions allow a company to influence the decision-making of stakeholders, such as consumers, business Partners, investors, local residents, and administration. It is hoped that the publication of environmental accounting results will function both as a Means for companies to fulfill their responsibility for accountability to stakeholders and, Simultaneously, as a means for appropriate evaluation of environmental conservation Activities

2. 5 Importance of Environmental Accounting

Companies are asked nowadays to move from the confines of financial responsibility to shareholders to accepting a broader accountability to stakeholders for environmental performance. A call for these businesses and companies to take into account environmental costs and responsibility doesn't just come from pressure groups and company law reviews, but it is also coming from within the company itself as there is a growing expectation

by societies of corporate behavior and environmental responsibility. There are several relationships that can be studied using environmental accounting. Environmental accounting can be used to monitor companies' use of minerals, water, air pollution and natural oil. Animal habitats and the farm land used to produce food can also be tested and examined to determine what impact our activities are having. Environmental costs are costs incurred by businesses as products and services are provided to customers. Hence, environmental performance is a measure of how successful a business is because it determines the degree to which it accounts for environmental costs. Environmental costs and performance require management's attention for the below reasons: * A big number of environmental costs can be significantly reduced or even totally eliminated in response to management decisions. There is a lot of environmental costs such as wasted raw material that is no longer beneficial to any process, system or product. Therefore, management decision to reduce or eliminate them is necessary. Management may take other decisions like operational and housekeeping changes, investing in green process technology, and redesigning of products and processes. * Environmental costs may be obscured in overhead accounts or otherwise overlooked. * Environmental costs can be offset by generating revenues through sale of wastes. * Better management of environmental costs can result in improved environmental performance and significant benefits to human health as well as business success. * Understanding the environmental costs and performance of processes and products can promote more accurate costing and pricing of products and can aid companies in the design of more environmentally

preferable processes, products, and services for the future. * Competitive advantage with customers can result from processes, products, and services that can be demonstrated to be environmentally preferable. * When companies more fully account for environmental costs and benefits, they will clearly be able to see the financial and economic advantages of pollution prevention policies. Environmental costs often can be reduced by product design changes, input materials substitution, process re-design, and improved operation and maintenance practices. Chapter Three -Theory - 3. 1 Federal Environmental Acts and Environmental Audits Environmental costs and liabilities are primarily driven by increasing federal regulation and enforcement. Federal environmental acts establish requirements for remediation, abatement, and prevention of hazardous waste sites. The three major acts are: 1. The Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (CERCLA). Better known as Superfund, this act requires potentially responsible parties (PRPs) to incur costs for remediation. The EPA identifies PRPs as firms with operations involving hazardous waste and site contamination. 2. The Resource Conservation and Recovery Act of 1976 (RCRA) is concerned with preventing events that could lead to contamination and result in the need for future site cleanups. It establishes responsibility for the monitoring, transportation, treatment, storage, and disposal of hazardous wastes. 3. The Clean Air Act Amendments of 1990 (CAAA) attempt to reduce pollution by requiring public utilities to restrict the amount of sulfur dioxide and nitrogen oxides that their generating units may emit. -Frey, Karen. (2012). Environmental accounting and reporting 101. : Gettysburg college. Violation of these statutes can result

insignificant fines, remediation costs, or even imprisonment. The EPA, through the Department of Justice, charges 5 to 10 engineers and business people per week with criminal violations of environmental regulations. Liability for environmental wrongdoing is strict, joint and several, and retroactive. Furthermore, lack of knowledge is not a defense and negligence may result in imprisonment. Thus, companies need to be particularly careful when dealing with environmental laws. As with legal liabilities, accountants must rely on the work and opinions of experts in other fields to determine the impact of environmental issues. Firms may undergo an environmental audit to determine the legislation applicable to the firm, to assess the compliance of the firm with the legislation, and to assist in estimating environmental liabilities. A team of internal and external experts, including environmental engineers and legal counsel, performs the audit. The team reports its findings to company management by issuing a formal environmental audit report. Where appropriate, this report includes recommendations for attaining regulatory compliance and improving environmental cost efficiency.

3. 2 Standards being used for accounting for the environment

FASB #5: defines a loss contingency as: An existing condition, situation or set of circumstances involving uncertainty as to possible gain or loss to an enterprise that will ultimately be resolved when one or more future events occur or fail to occur. FIN 14: Reasonable Estimation of the Amount of a Loss

An interpretation of FASB Statement (NO. 5) FASB #143: This Statement contains disclosure requirements that provide descriptions of asset retirement obligations and reconciliations of changes in the components of those obligations. SFAS #5: This Statement establishes standards of financial

accounting and reporting for loss contingencies. It requires accrual by a charge to income (and disclosure) for an estimated loss from a loss contingency. American Institute of Certified Public Accountants (AICPA), 2004. " Tools and Techniques of Environmental Accounting for Business Decisions, " Ifrs6: deal with exploration for and evaluation of mineral resources IFRIC 5 — Decommissioning restoration & environmental rehabilitation funds. IAPS_ International Auditing Practice Statement (1010): The consideration of environmental matters in the audit of financial report in 1998 (AGS) Audit Guidance Statement-1010: The consideration of environmental matters in the audit of a financial statement in 2001. (iso environmental accounting: Environmental-Accounting-an-essential-component-of-Business-strategy): ISO 14001: 2004 sets out the criteria for an environmental management system ISO 14010 — guidelines for environmental audit 3. 3 Environmental Auditing Internal environmental audits have to be carried out to ensure the effectiveness of the environmental management system. These help to estimate the risk of environmental impacts, to prevent pollution, to allocate the source of pollution or to quantify liability accruals for known environmental issues. External environmental audits are required to validate reports being published and the information found during the internal audit Federation of Accountants (IFAC) developed International Standards on Auditing (ISA's) which aim to improve and harmonise the audit procedure and with it the procedure for environmental auditing. The Association for Professional Environmental Auditing (APEA) tries to establish a profession of certified environmental auditors. However, problems such as the costs of establishing

a system of professionals or potential consequences of professional environmental auditors on the existing auditing PROFESSION are still present. The importance placed on environmental issues has increased during the last two decades. Different organisations, both national and international, as well as governments in various countries have recognised that environmental protection is a major issue with regards to wellbeing of mankind on the planet is concerned. In absence of a widespread regulatory framework, different standards have been developed. These standards help to improve the concept of corporate governance, because they strengthen the responsibility of the board to the environment. One of the standards, for example, is the British Standard for Environmental Management Systems (BS 7750) Published in 1992. BS 7750 aims at setting up an effective management system to improve environmental protection and environmental performance. According to BS 7750 the management has to set up an environmental policy and objectives which are regularly reviewed. The standard requires active support by top management and continuing improvement and development of the environmental policy (Renger, 1992). The operation of the environmental management system is subject to a recurring internal audit, which should be performed by staff within the organization but independent from the areas being audited (Maltby, 1995). ISO 14001 is another standard. It is published by the International Organization for Standardization and requires companies also to define environmental targets and objectives, and to establish a standardized environmental management system

3. 4 How to Account for Environmental Remediation Costs

The Internal Revenue Service governs tax laws

concerning the method of accounting for all business transactions, including land improvements or repairs such as remediation costs. The method of accounting for environmental remediation costs is entirely dependent on when the contamination occurred in relation to ownership of the property. If the contamination occurred prior to current ownership, then the cost of remediation must be capitalized. If the contamination occurred during the current ownership, then the entire cost can be expensed as incurred. 1.

Capitalized Cost 1) Create an Environmental Remediation account in the Assets section of the general ledger. 2) Record an increase to the Environmental Remediation account for the entire amount of the cost of the remediation. GAAP (Generally Accepted Accounting Principles) considers an increase to an asset account a "debit." 3) Record a decrease to the Checking/Cash account used to pay for the remediation for the entire amount of the remediation costs. GAAP considers a decrease to a

cash/checking account a "credit." 2. Expensed Cost 1. Create an Environmental Remediation expense account in the Extraordinary expense section of the general ledger. Recording the expense in extraordinary expenses prevents the cost from skewing operating expense numbers on financial statements. 2. Record an increase to the Environment Remediation expense account for the entire cost of the remediation. GAAP considers an increase to an expense account a "debit." 3. Record a decrease to the Checking/Cash account used to pay for the remediation for the entire amount of the remediation costs. GAAP considers a decrease to a

cash/checking account a "credit." 3. 5 The environmental cost categories By United Nations are:-
• waste and emission treatment: includes depreciation

for related equipment; maintenance and Operating materials and services; related personnel; fees, taxes, charges; fines and penalties; insurance For environmental liabilities; provisions for cleanup costs, remediation.

• prevention and environmental management: includes external services for environmental Management; personnel for general environmental

management activities; research and development; Extra expenditure for cleaner technologies; other environmental management costs.

• material purchase value of non-product output: includes raw materials; packaging; auxiliary Materials, operating materials, energy, water. Processing costs of non-product output: includes lab our costs; energy cost. The IFAC

environmental cost categories are:-

- materials costs of product outputs: includes the purchase costs of natural resources such as water and other materials that are converted into products, byproducts and packaging.

- materials costs of non- product outputs: includes the purchase (and sometimes processing) costs of energy, water and other materials that become non-product output (i. e., waste and emissions).

- waste and emission control costs: includes costs for: handling, treatment and disposal of waste and emissions; remediation and compensation costs related to environmental damage; and any control Related regulatory compliance costs.

- prevention and other environmental management costs: includes the costs of preventive Environmental management activities such as cleaner production projects. also includes costs for other Environmental management activities such as environmental planning and systems,

- environmental Measurement, environmental communication and any other relevant activities.
- research and development costs: includes the costs for

research and development projects related to Environmental issues. € less tangible costs: includes both internal and external costs related to less tangible issues. Examples include liability, future regulations, productivity, company image, stakeholder relations and Externalities. Chapter Four - Methodology-

4. 1 Population and sample of the study: This study population includes all accountants, manager, auditor, and the financial statement makers who use accounting standards, the sample included 21 people of the accountants, manager, auditor, and the financial statement makers in Ramallah city.

4. 2 Type of the study: this research will follow descriptive analytical field study, In fact it's based in collecting information about the topic and then the information will be statistically analyzed by SPSS program, on the other hand, the study will be non contrived, and cross sectional study.

4. 3 Data Source: The source of data that will be collected divided into two parts: Primary Data: That it will be taken by the researcher for the first time from the Palestinian firms. Secondary data: That it will be taken from published resources like journals, previous study, e-books, and websites about the topic, and so on.

4. 4 Instrumentation The researcher design a survey to meet the requirements of study, it's a questionnaire that will be distributed to Palestinian firms with an online survey sent to foreign universities, to get the information and then to analyze the findings (gathered data) by SPSS.

Chapter Five -Data Analysis-

Q. 1 Educational qualifications

Educational qualifications	Frequency	Percent	Valid Percent	Cumulative Percent	Valid
Diploma	1	4.8	4.8	4.8	BA 15
High studies	5	23.8	23.8	100.0	Total 21
					100.0 100.0

As we notice from the chart above we see that 71.4% from

the sample have BA, and 23. 8% have high studies, and 4. 8% have diploma.

Q. 2 Specialty Specialty | | | Frequency | Percent | Valid Percent | Cumulative
Percent | Valid | Accounting | 11 | 52. 4 | 52. 4 | 52. 4 | | Finance | 6 | 28. 6 |
28. 6 | 81. 0 | | Other | 4 | 19. 0 | 19. 0 | 100. 0 | | Total | 21 | 100. 0 | 100. 0 |

| As we notice from the chart above we see that 52. 4% from the sample are
accounting, 28. 6% finance, and 19% other. Q. 3 Experience years

Experience years | | | Frequency | Percent | Valid Percent | Cumulative
Percent | Valid | Less than 1 year | 6 | 28. 6 | 28. 6 | 28. 6 | | 1 — 5 years | 10
| 47. 6 | 47. 6 | 76. 2 | | More than 6 years | 5 | 23. 8 | 23. 8 | 100. 0 | | Total |
21 | 100. 0 | 100. 0 | | The years of experience for the sample is 47. 06% are

working since 1_5 Years while 23. 08% are working more than 6 years, and

the rest 28. 6% works less than 1 year. Q. 4 Job position Job position | | |

Frequency | Percent | Valid Percent | Cumulative Percent | Valid | Accountant
| 9 | 42. 9 | 42. 9 | 42. 9 | | Accounting Department Manager | 4 | 19. 0 | 19. 0
| 61. 9 | | Financial manager | 1 | 4. 8 | 4. 8 | 66. 7 | | Other | 7 | 33. 3 | 33. 3 |
100. 0 | | Total | 21 | 100. 0 | 100. 0 | | As we notice from the chart above we

see that 42. 9 from the sample are accountant, 19% Accounting Department
Manager, 4. 8% financial manager, and 33. 3% Other. Q. 5 What is the type

of corporation you are currently working at? What is the type of corporation

you are currently working at? | | | Frequency | Percent | Valid Percent |

Cumulative Percent | Valid | Industrial Sector | 1 | 4. 8 | 4. 8 | 4. 8 | | Auditing
Sector | 2 | 9. 5 | 9. 5 | 14. 3 | | Investment Sector | 2 | 9. 5 | 9. 5 | 23. 8 | |
Banking Sector | 6 | 28. 6 | 28. 6 | 52. 4 | | NGOs | 2 | 9. 5 | 9. 5 | 61. 9 | |
Other | 8 | 38. 1 | 38. 1 | 100. 0 | | Total | 21 | 100. 0 | 100. 0 | | 9. 5% are

working in the auditing sector, 4. 8% in the industrial sector, 9. 5% NGO , 28.

6% banking sector, 9. 5% investment sector, and 38. 1% in other sectors. Q.

6 Why do you think corporations need to do “ environmental accounting”? | |

Frequency	Percent	Valid Percent	Cumulative Percent	Valid
To better understand the relationship between human, and social systems and those of the natural patrimony	4	19. 0	19. 0	19. 0
To take better care and control over human health	3	14. 3	14. 3	33. 3
To understand the role played by the natural environment in the economy	2	9. 5	9. 5	42. 9
All of the above	12	57. 1	57. 1	100. 0
Total	21	100. 0	100. 0	

19% answer To better understand the relationship between human, and social systems and those of the natural patrimony, 14. 3% To take better care and control over human health, 9. 5% answer To understand the role played by the natural environment in the economy, and 57. 1% answer All of the above.

Q. 7 Who exactly is mostly required to do environmental accounting? Who exactly is mostly required to do environmental accounting?

Frequency	Percent	Valid Percent	Cumulative Percent	Valid
Not for profits	1	4. 8	4. 8	4. 8
Businesses	3	14. 3	14. 3	19. 0
All of the above	17	81. 0	81. 0	100. 0
Total	21	100. 0	100. 0	

81% answered that environmental accounting is necessary in all the sectors, while 14. 3% said only in the business sector, 4. 8% not for profit sector, but no answer in government sector. Q. 8 Do you believe it is possible to

implement environmental accounting in all Palestinian corporations? Do you believe it is possible to implement environmental accounting in all

Frequency	Percent	Valid Percent	Cumulative Percent	Valid
Yes	10	47. 6	47. 6	47. 6
No	11	52. 4	52. 4	100. 0
Total	21	100. 0	100. 0	

47. 62% believes it's possible

to implement environmental accounting in Palestine, while 52.38% don't. Q.

9 Do you believe that implementing environmental accounting will have an impact on keeping the world's water clean, managing dwindling natural resources and decreasing air pollution? Do you believe that implementing environmental accounting will have an impact on keeping the world's water clean, managing dwindling natural resources and decreasing air pollution? | |

	Frequency	Percent	Valid Percent	Cumulative Percent	Valid
Yes	21	100.0	100.0	100.0	

The entire sample answered that implementing environmental accounting will have an impact on keeping the world's water clean, managing dwindling natural resources and decreasing air pollution. Q.

10 Do you think staff members and accountants need to be trained on how to implement and account for environmental accounting? Do you think staff members and accountants need to be trained on how to implement and account for environmental accounting? | | | Frequency | Percent | Valid

	Frequency	Percent	Valid Percent	Cumulative Percent	Valid
Yes	20	95.2	95.2	95.2	
No	1	4.8	4.8	100.0	
Total	21	100.0	100.0		

95.2% believed that training is needed for implement and account for environmental accounting.

Q. 11 Environmental accounting can determine how much investment should be made on activities associated with the environment Environmental

accounting can determine how much investment should be made on activities associated with the environment | | | Frequency | Percent | Valid

	Frequency	Percent	Valid Percent	Cumulative Percent	Valid
Disagree	2	9.5	9.5	9.5	
Neutral	5	23.8	23.8	33.3	
Agree	11	52.4	52.4	85.7	
Strongly Agree	3	14.3	14.3	100.0	
Total	21	100.0	100.0		

As we notice from the chart above we see that 14.3% from the sample are

strongly agreed on the paragraph Environmental accounting can determine how much investment should be made on activities associated with the environment, 52. 4% are agreed, 23. 8% are neutral, and 9. 5% are disagree.

Q. 12 Pollution prevention policies can be clearly seen if environmental costs are fully accounted for Pollution prevention policies can be clearly seen if environmental costs are fully accounted for | | | Frequency | Percent | Valid

Percent | Cumulative Percent | Valid | Neutral | 1 | 4. 8 | 4. 8 | 4. 8 | | Agree | 17 | 81. 0 | 81. 0 | 85. 7 | | Strongly Agree | 3 | 14. 3 | 14. 3 | 100. 0 | | Total | 21 | 100. 0 | 100. 0 | |

As we notice from the chart above we see that 81% from the sample are agreed on the paragraph the Pollution prevention policies can be clearly seen if environmental costs are fully accounted for, 14. 3% are strongly agreed, 4. 8% are neutral.. Q. 13 Do courses and

awareness programs consecutive for company employees to promote environmental awareness and improve the image of the company before various authorities Do courses and awareness programs consecutive for company employees to promote environmental awareness and improve the image of the company before various authorities | | | Frequency | Percent |

Valid Percent | Cumulative Percent | Valid | Neutral | 6 | 28. 6 | 28. 6 | 28. 6 | | Agree | 14 | 66. 7 | 66. 7 | 95. 2 | | Strongly Agree | 1 | 4. 8 | 4. 8 | 100. 0 | | Total | 21 | 100. 0 | 100. 0 | |

As we notice from the chart above we see that 66. 7% from the sample are agreed with to Do courses and awareness programs consecutive for company employees to promote environmental awareness and improve the image of the company before various

authorities, 4. 8% are strongly agreed, 28. 6% are neutral. Q. 14 More attention must be paid to develop environmental accounting understanding

in Palestinian corporations. More attention must be paid to develop environmental accounting understanding in Palestinian corporations. | | |

Frequency	Percent	Valid Percent	Cumulative Percent	Valid	Disagree	2
9.5	9.5	9.5	9.5	Neutral	1	4.8
4.8	4.8	4.8	14.3	Agree	7	33.3
33.3	33.3	33.3	47.6	Strongly Agree	11	52.4
52.4	52.4	52.4	100.0	Total	21	100.0

0 | | 52.4% strongly agreed with must be paid to develop environmental accounting understanding in Palestinian corporations, 33.3% agreed, 4.8% neutral and 9.5% disagreed. Q. 15 Management of environmental accounting doesn't affect the success of a business in general Management of environmental accounting doesn't affect the success of a business in

Frequency	Percent	Valid Percent	Cumulative Percent	Valid	Strongly disagree	1	4.8	4.8	4.8	Disagree	8	38.1	38.1	42.9	Neutral	3	14.3	14.3	57.1	Agree	9	42.9	42.9	100.0	Total	21	100.0	100.0
4.8	4.8	4.8	4.8	Strongly disagree	1	4.8	4.8	4.8	Disagree	8	38.1	38.1	42.9	Neutral	3	14.3	14.3	57.1	Agree	9	42.9	42.9	100.0	Total	21	100.0	100.0	

In this question 4.8% strongly disagree with

Management of environmental accounting doesn't affect the success of a business in general, 38.1% disagree, 14.3% neutral, 42.9% agreed. Q. 16 Management of environmental accounting can result in significant benefits to human health Management of environmental accounting can result in

Frequency	Percent	Valid Percent	Cumulative Percent	Valid	Neutral	3	14.3	14.3	14.3	Agree	11	52.4	52.4	66.7	Strongly Agree	7	33.3	33.3	100.0	Total	21	100.0	100.0
14.3	14.3	14.3	14.3	Neutral	3	14.3	14.3	14.3	Agree	11	52.4	52.4	66.7	Strongly Agree	7	33.3	33.3	100.0	Total	21	100.0	100.0	

As we notice from the chart above we see that 33.3% from

the sample are strongly agreed with Management of environmental accounting can result in significant benefits to human health, 52.4% are agreed, 14.3% are neutral. Q. 17 The study and analysis of possible

environmental costs that helps a company to respond to the current laws on the protection of the environment. The study and analysis of possible environmental costs that helps a company to respond to the current laws on the protection of the environment. || | Frequency | Percent | Valid Percent | Cumulative Percent | Valid | Neutral | 8 | 38. 1 | 38. 1 | 38. 1 | | Agree | 11 | 52. 4 | 52. 4 | 90. 5 | | Strongly Agree | 2 | 9. 5 | 9. 5 | 100. 0 | | Total | 21 | 100. 0 | 100. 0 | | 52. 4% agreed about the study of environmental costs helps a company to respond to the current laws on the protection of the environment, 9. 5% strongly agreed, and 38. 1% neutral. Q. 18 The accounting disclosure about the effects on environmental impacts do not lead to damage reputation of the company. The accounting disclosure about the effects on environmental impacts do not lead to damage reputation of the company. || | Frequency | Percent | Valid Percent | Cumulative Percent | Valid | Strongly disagree | 2 | 9. 5 | 9. 5 | 9. 5 | | Disagree | 7 | 33. 3 | 33. 3 | 42. 9 | | Neutral | 3 | 14. 3 | 14. 3 | 57. 1 | | Agree | 8 | 38. 1 | 38. 1 | 95. 2 | | Strongly Agree | 1 | 4. 8 | 4. 8 | 100. 0 | | Total | 21 | 100. 0 | 100. 0 | | As we notice from the chart above we see that 4. 8% from the sample are strongly agreed on the paragraph The accounting disclosure about the effects on environmental impacts do not lead to damage reputation of the company, 38. 1% are agreed, 14. 3% are neutral, 33. 3% disagreed and 9. 5% are strongly disagree. Q. 19 No conflict between the application of environmental accounting principles and international accounting standards No conflict between the application of environmental accounting principles and international accounting standards || | Frequency | Percent | Valid Percent | Cumulative Percent | Valid | Strongly disagree | 2 | 9. 5 | 9. 5 | 9. 5 |

| Neutral | 11 | 52. 4 | 52. 4 | 61. 9 | | Agree | 7 | 33. 3 | 33. 3 | 95. 2 | |
 Strongly Agree | 1 | 4. 8 | 4. 8 | 100. 0 | | Total | 21 | 100. 0 | 100. 0 | | As we
 notice from the chart above we see that 4. 8% from the sample are strongly
 agreed on the paragraph No conflict between the application of
 environmental accounting principles and international accounting standards,
 33. 3% are agreed, 52. 4% are neutral, and 9. 5% are strongly disagree. Q.
 20 Environmental awareness must at all levels in industrial education
 curriculum Environmental awareness at all levels in industrial education
 curriculum | | | Frequency | Percent | Valid Percent | Cumulative Percent |
 Valid | Disagree | 4 | 19. 0 | 19. 0 | 19. 0 | | Neutral | 6 | 28. 6 | 28. 6 | 47. 6 | |
 Agree | 7 | 33. 3 | 33. 3 | 81. 0 | | Strongly Agree | 4 | 19. 0 | 19. 0 | 100. 0 | |
 Total | 21 | 100. 0 | 100. 0 | | As we notice from the chart above we see that
 19. 00% from the sample are strongly agreed on the paragraph
 Environmental awareness must to be present at all levels in industrial
 education curriculum, 33. 3% are agreed, 28. 06% are neutral, and 19. 00%
 are disagree. Chapter Six Conclusion and Recommendation Conclusion: *
 Information disclosure about environmental accounting helps managers in
 decision making for their organizations. * Implementing environmental
 accounting should have an impact on keeping the world's water clean,
 managing dwindling natural resources and decreasing air pollution. * The
 most important tools by which the state can be followed to raise the
 environmental performance of the factory, is not issuing new permits unless
 the available industrial facilities essential for protecting the environment. *
 The importance of environmental costs in decision-making, and rationalized
 as an integral part of the environmental management system. * If we

implement environmental accounting it will help understanding the framework of environmental costs and improves the performance of the organization. * Accounting for the environment not only helps the environment and help us keeps the renewable recourses it also benefit the organization in saving costs and help it make a better decisions for the future. * Paying attention to industrial plants and maintain of the environment and prevention of pollution in all its forms and manifestations, and commitment to the so-called clean production. Recommendations: * Most important recommendations of the study need to promote environmental awareness in the society as a whole through various media and education. * There is an urgent need to raise the level of awareness among managers of the importance of environmental matters and the need to adopt various establishments environmental policies that will help reduce the negative effects of their activities on the environment, Also achieve many of the benefits of the facility as to reduce waste and economy in the use of inputs and improve the design of the product and make it less harmful to the environment in all stages of life. * Manager must take into account the environmental costs because they help him greatly in the development of the institutions performance and effectiveness. * Implementation of environmental accounting needs training with specialist in every corporation. * Develop mechanisms of action lead to the commitment of enterprises to disclose environmental information in a periodic and orderly manner and through coordination between the relevant authorities to the environment and between the agencies responsible for developing and issuing accounting standards. * Allocating financial resources necessary for the protection of the

environment by the departments of industrial facilities. * The need to include reports and financial statements for environmental activities leading to give confidence in the accounting data, as well as to meet the needs of community information on environmental activities. -References- 1) Books - Negash, Minga. (2012). IFRS and environmental accounting. Denver: Emerald Group Publishing Limited. -Thesis,, Master's . (2005). Environmental accounting. : Leeds Metropolitan University. -Bennett, Martin. Bouma, Jan Jaap. Wolters, Teun.(2002). Environmental Management Accounting: Informational and institutional Developments. -Deegan, Craig. (2002). Social and Environmental Reporting and its Role in Maintaining or Creating Organizational Legitimacy. -Rikhardsson, P. M.; Bennett, M.; Bouma, J. J.; Schaltegger,.(2005). Environmental Management Accounting: Status and Challenges. -Schaltegger, stefan. (2000). Contemporary Environmental Accounting. Germany. -Leontina, BeÅfianu. (2002). Environmental cost accounting: germany. -Deegan, Craig. (2002). Social and environmental reporting and its role in maintaining or creating organisational legitimacy. Germany; Emerald group publishing I. T. D. -Isabell, Keil .(2003). Environmental Auditing. : University of Glamorgan. 2) Articles -Walter Radermacher.(1999). Indicators, Green Accounting and Environment Statistics: information requirements for sustainable development, International statistical Review, volume 67. -Frey, Karen. (2012). Environmental accounting and reporting 101. : Gettysburg college. - Environmental accounting guidelines. japan(2005). (8/10/2012). - 3201 environmental costs & liabilities. japan: Government accounting finance(2008).(8/10/2010). -hutchison, paul.(2000). Environmental

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0592791934 shadenalmasri@gmail. com Section one: (general information)

1. Educational qualifications * Diploma BA High studies 2.

Specialty: * Accounting Finance Economics Other 3.

Experience years: * Less than 1 year 1 — 5 years More than 6

years 4. Job position: * Accountant Accounting Department Manager

Financial manager creditor 5. What is the type of corporation you are

currently working at? * Industrial Sector Auditing Sector

Investment Sector Banking Sector NGOs Other, please specify

6. Why do you think corporations need to do “ environmental accounting”? *

To better understand the relationship between human, and social

systems and those of the natural patrimony To take better care and

control over human health To understand the role played by the natural

environment in the economy All of the above 7. Who exactly is mostly

required to do environmental accounting? * Governments Not for

profits Businesses All of the above 8. Do you believe it is possible to

implement environmental accounting in all Palestinian corporations? *

Yes No 9. Do you believe that implementing environmental accounting

will have an impact on keeping the world’s water clean, managing dwindling"

ØªÙ†Ø§Ù, Øµ" natural resources and decreasing air pollution? * Yes

No 10. Do you think staff members and accountants need to be trained on

how to implement and account for environmental accounting? * Yes No

Section two (study questions) Please tick mark (Ã—) in the appropriate place

Stronglydisagree | Disagree | Neutral | Agree | StronglyAgree | Paragraph | | |

| | | Environmental accounting can determine how much investment should

be made on activities associated with the environment | 11 | | | | Pollution

" Ø§Ù,, Ø²Ù,, Ù^Ø« " prevention policies can be clearly seen if environmental costs are fully accounted for | 12 | | | | | Do courses and awareness " Ù^Ø¹ÙŠ" programs consecutiveÙ...Ø²Ø²Ø§Ø"Ø¹" " for company employees to promote environmental awareness and improve the image of the company before various authorities | 13 | | | | | More attention must be paid to develop environmental accounting understanding in Palestinian corporations. | 14 | | | | | Management of environmental accounting doesn't affect the success of a business in general | 15 | | | | | Management of environmental accounting can result in significant" Ù±Ø§Ù..." benefits to human health | 16 | | | | | The study and analysis of possible environmental costs that helps a company to respond to the current laws on the protection " ØÙ...Ø§ÙŠØ©" of the environment. | 17 | | | | | The accounting disclosure" Ø§Ù,, Ø§Ù◆ØµØ§Ø" about the effects on environmental impacts do not lead to damage reputation of the company. | 18 | | | | | No conflict between the application of environmental accounting principles and international accounting standards | 19 | | | | | Environmental awareness at all levels in industrial education curriculum | 20 | Notes :

_____ Thank you for your cooperation. " Faculty of business & Economic" " Department Of Accounting" " Proposal" " ACCT 437 " " Environmental Accounting" Prepared By " SHADEN ALMASRI" " 1090418" Supervised By "

ADNAN ABU HUMMOUS " 2012_2013 Introduction The accounting one science and knowledge renewable;, to its close association with variables of social, environmental and political, economic, so stand out and constantly problems accounting renewed need to be resolved, and problems accounting contemporary regarding environmental accounting, which is no longer interesting accounting thought exclusive in the internal environment of the facilities, but extends this attention to the external environment includes related directly and indirectly to the financial statements issued by enterprises (companies, organizations, institutions). This interest has been a reflection of the global developments of concern for the environment after the emergence of the obvious negative effects on the environment. The intellectuals and the owners of establishments finally understood and realize larger that they continue to drain and pollute environmental resources will threaten their existence in the future, as the environment is the main source for all their resources, and damage by not damaging to society only, but will extend to the economic damage to their companies and their interests. It has become necessary to find ways to measure environmental impacts, and accounted for, and report on the environmental effects that can be caused by companies such as chemical industries, food industries, and electronic and other industries. Where he was recognized by the previously is not to obligation companies to bear the cost of pollution and preventive measures, as is happening today spread to the social requirements officials' accountable enterprises for environmental pollution they cause. The depletion of natural resources and that cannot be renewed - or, which is renewed slowly - for concern. Since accountants have a special role is very

effective; due arrival direct to the financial information of the facilities on the differences, and their ability to improve or check the quality of information, and skills in the use of information, to help make good decisions for installations in areas such as investment appraisal, then they burden the largest in the measurement and disclosure and reporting environmental accounting information Environmental accounting is a wide concept with many effects; it can support national income accounting, financial accounting and internal business managerial accounting. Also, it is implemented by governments, businesses and not-for-profit organizations. Problem Statement Environmental accounting is an important trend in many countries around the world, and it aims at achieving sustainable development, creating favorable relationships with the society and implementing effective and efficient environmental conservation activities. Therefore, there is a ne