

Solutions For Enterprises To Implement Environmental Accounting Under The Sustainable Development Concept

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Abstract. In recent years, environmental pollution and resource shortage and other relative problems have become our country's key topics, which requires enterprises to introduce and implement environmental accounting so as to reflect how enterprises carry out the social duty of protecting environments and to help enterprises find problems and make improvement, as a result of which, the sustainable ability of enterprises is ensured. But under the guideline of sustainable development concept, Chinese enterprises are faced with many difficulties such as lack of concept, legal system, checking system, and supervision disclosure of environmental accounting. Based on this, this paper put forward solutions to implement environmental accounting for our enterprises.

1. Introduction

In recent years, environmental pollution is becoming more and more serious and environmental protection and governance receive wide attention nationwide and become hot topics. Under the macro background that our nation has put forward the strategy of sustainable development, enterprises have the duty and obligation to strengthen environmental protection, decrease discharge of pollutant and contribute to the sustainable development of national economy and society. This requires enterprises to introduce and implement environmental accounting to take the social duty of protecting environments when they make environmental protection measures and plans, which is beneficial to promote social image and master the social duty performances so as to guarantee the sustainable development ability.

2. The framework of environmental accounting under the guideline of the sustainable development concept

The production progress of accounting information is the one involving confirmation, measurement, recording and reporting, therefore, the framework of environmental accounting includes the four sections.

2.1. Confirmation of environmental accounting

The confirmation refers to the process of confirming those economic activities and events related with environmental protection into assets, liabilities, equity of owners, income, expenses and profits record and including them into the financial report. Environmental accounting combines traditional accounting and environmental protection. Its object includes not only production and operation activities of enterprises but also other activities such as environmental protection, governance and development. The confirmation must meet some conditions such as definability, accountability, relativity and liability.



2.2. Measurement of environmental accounting

Measurement of environmental accounting is mainly divided into monetary measurement and non-monetary measurement. Monetary measurement refers to that of the asset, liabilities, equity, income, cost expenses and profits related with enterprise environments. Its advantage is to clearly display how much the enterprise has invested into environmental protection and examine the protection performances more strictly. Non-monetary measurement is to deal with those activities which can't be measured with monetary. The measurement methods of environmental accounting mainly include realistic market method, virtual market method and comparison market method.

2.3. Recording of environmental accounting

Recording needs to be done involving constitution elements of environmental accounting, that is, environmental asset, liabilities, equity, income, expenses and profits, which are the main recording information. After recording, the complete environmental accounting procedures are carried out to make a full-range checking of all kinds of environmental asset accountant, therefore it is easier for enterprises to supervise and manage capital flow during the process of environmental protection, development and governance.

2.4. Reporting of environmental accounting

Reporting of environmental accounting will transmit information involving environmental responsibility, influence and performances of reporting subject to information users. At present, it will be realized in the form of information disclosure which includes the reporting mode of independent environmental information, improved traditional financial reporting mode and the reporting mode of enterprises environmental social duties.

3. The dilemma of environmental accounting under the guideline of the sustainable development concept

3.1. The concept shortage of environmental accounting

Enterprises are the subject of marketing economic activities and to seek for the maximum economic profits at the minimum cost which is the main object of enterprises. In the actual operational process, it is inevitable for enterprises to pollute the environment and they have the right and obligation to protect environments.

However, at present, most enterprises don't have strong awareness of protecting environment and lack environmental accounting concepts. Most enterprises intend to purchase and use sewage and waste gas purification equipment just for the purpose of meeting the national and industry standards but not positively strengthen environmental protection and increase expenses in pollution governance for the social obligation. Due to seeking for economic profits aimlessly, enterprises are short in taking the social duty and difficult to maintain good image in the society.

3.2. Lack of legal system of environmental accounting

In the 1970s, European and American countries issued relative disciplines and guidelines of environmental accounting and improved their own accounting discipline system, which provided legislation support for A of their enterprises and promoted the implementation of environmental resources protection. Compared with advanced countries, it is obvious that environmental accounting legislation in our country lag behind, as well as formulating principles of environmental accounting. The current domestic environmental protection system discipline is mainly involved with constraining enterprise pollution and seldom control enterprise environmental development and regulation.

At present, accounting regulations involved with environmental issues in our country lag behind those of advanced countries greatly and lack unified and clear thought to regulate and guide the enterprise environmental protection and environmental accounting.

3.3. Lack of environmental accounting checking system

The founding of environmental accounting checking system is a complex and huge engineering which includes environmental accounting confirmation, measurement methods of environmental accounting, measurement standards and accounting setting. To solve all problems in the system has become a key point to constitute the checking system of environmental accounting.

In the 1990s, our government started to pay attention to environmental accounting and experts and scholars also made much research and got some progress. But due to the influence of special economic system, our country needs to make deep research and discussion in the fields of balancing economic development and environmental protection and keeping sustainable development between economy, society and environment so as to search for the checking system of environmental accounting which is fit for our economic current conditions and meets actual needs of economic development.

3.4. Lack of supervision and disclosure of environmental accounting

At present, our country's supervision and disclosure is not complete and each department is poor in managing enterprise information disclosure which made enterprises pay little attention to environmental accounting. And many enterprises overtly agreed but covertly oppose to our country's laws and regulations involved with environmental protection which are implemented at present.

Advanced countries devoted much energy and time to disclosure and supervision of environmental accounting information and formulate a complete disclosure and supervision system which gives clear stipulation about information enterprise should disclose. This ensures the authenticity and value of information disclosed by enterprises. Therefore, the information of environmental activities can be expressed to the public through effective methods. But in our country, due to the lack of sound environmental accounting disclosure and supervision system, the disclosure level is very low and a great number of environmental protection information of enterprise is difficult to be authentically and completely made public.

4. The methods of environmental accounting under the guideline of the sustainable development concept

4.1. Strengthening environmental protection awareness and theory guideline

For a long time, many enterprises adopt extensive operation and development mode and greatly destruct ecological environment while seeking for economic profits aimlessly.

What's more, local government is poor in constraining and controlling business activities of local enterprises but attaches more importance to government performances and local economic increase speed, which makes environmental pollution more and more serious. With the formulation and putting forward of the sustainable development strategy, local government and enterprises must be clearly aware of economic development, convert the previous business notions, strengthen environmental protection awareness and positively coordinate with the implementation of the sustainable development strategy.

As to enterprise environmental protection and environmental accounting, local government must give theoretical guidance and positively cultivate the social environmental protection awareness of enterprises. Because of the lack of laws and regulations relative with environmental accounting at home, local government must strengthen the research on theories of environmental accounting, improve their own environmental protection and provide correct guidance in environmental protection and wide promotion of environmental accounting knowledge for enterprises, based on the strategy of the sustainable development. The theoretical guidance work must pay attention to actual effectiveness, which asks the relative department personnel to go to the enterprise, positively develop environmental protection training and help the enterprise improve their own environmental protection positiveness, which lay a good foundation for the realization of environmental accounting.

4.2. Make sound environmental accounting legislation and law system

The sound environmental accounting legislation and law system is important foundation of implementing environmental accounting. With the deepening of our country's reform and opening up policy, the relative law and legislation system about environmental protection is becoming more and more complete, such as Environmental Protection Law, Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution, Law of the People's Republic of China on the Prevention and Control of Water Pollution which offer guidance for the social public and enterprise to make environmental activities. However, when it comes to detailed environmental accounting, our country is short in relative laws and regulations at present.

It is very important to strengthen the construction of the environmental accounting legal system, to promote the implementation of environmental accounting and realize the sustainable development. The government should strengthen the formulation of relative laws and regulations and positively guide enterprises to improve cost checking and accounting of environmental activities, taking into consideration of the transformation strategy of marketing economy. As to the detailed system construction of laws and legislation on environmental accounting, the government can learn from the experiences of America, Japan and Canada, such as environmental accounting guidance of Japan which gives complete guidance and regulation to environmental accounting activities.

4.3. Positively learning from the mature environmental accounting checking mechanism

The lack of environmental accounting checking mechanism makes direct influence in the implementation of enterprise environmental accounting. Since the 1990s, domestic experts and scholars have started to do a lot of research on environmental accounting checking mechanism, but there has not formed a set of effective environmental accounting system till now. Much environmental accounting checking mechanism is only useful in theory which fail to meet the actual needs of domestic environmental accounting development. As a result, the later relative study should focus on confirmation, measurement and recording of environmental accounting and give concrete introduction and regulation and make sure the elements and account setting of environmental accounting. As to the formulation of relative standards, we should learn from the mature mechanism in advanced countries, such as Financial accounting standards announcement No. 5 - contingent accounting of FASB, No. 14 demonstration announcement of which mentions the accounting of asbestos clearance cost, cost capitalization of pollution clearance and reasonable assessment of loss. This deserves our learning and reference. On the other hand, we have to consider domestic realities of marketing economic development and realities but not copy them, so as to avoid affecting the overall values of checking mechanism of environmental accounting.

4.4. Improving supervision disclosure mechanism of environmental accounting

Only the information of environmental accounting is made public as realities, can the cost of enterprise environmental activities be guaranteed and can the implementation abilities of environmental accounting and the overall social image be fully improved with authenticity and reasonability of environmental protection and investment supervised by the social public. Being the economic activity subject, enterprises have the duty and obligation to protect environments. But the social public and government should have a good master of cost, profits and performances of social duties. Therefore, the construction of information disclosure supervision mechanism of enterprise environmental accounting must be strengthened.

At first, the mechanism should confirm the disclosure formation of enterprises. At present, independent environmental accounting reporting system, environmental elements additional to the financial accounting reporting system and person liable reporting and disclosing environmental accounting information are three main forms, among which environmental elements additional to the financial accounting reporting system is most practical. Therefore, at present, the domestic financial accounting reporting system has become sound and it is more likely to operate and implement combine environmental elements into the system.

Second, the mechanism of information disclosure and supervision should confirm disclosed information content and ensure the authenticity of information data. Enterprises must strictly abide by national regulations and combine the enterprise financial accounting reporting content to announce relative environmental accounting information. To enterprises which fake and hide environmental accounting information, they will be investigated on their legal responsibilities and given capital punishment, business suspension and rectification, correctness in limited periods and other punishment.

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