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The importance of accounting disclosure of sustainable environmental costs to improving the quality of financial reports

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Abstract

The increasing interest of companies in their duties towards society and their keenness to fulfill their social, environmental and financial responsibilities, it has become necessary for this ethical commitment to be matched by an interest in disclosing information on sustainable environmental costs that explain the conduct of these social and environmental activities. Disclosure is no longer limited to what is contained only in financial reports. Rather, it went beyond that to the necessity of paying attention to the inclusion of financial reports on information on environmental costs that clearly show the user the social role of the economic unit towards society and the environment. The research problem crystallizes in the lack of current accounting disclosure of the industrial sector companies in providing sufficient information presented in their financial reports regarding environmental costs. One of the most prominent obstacles and problems that may prevent and hinder the establishment of the General Tire Industry Company and all companies operating in the industrial sector in general is the lack of educational programs that deal with the importance of sustainable environmental costs. The lack of an accounting system that fulfills the purposes of accounting disclosure of environmental costs, the absence of binding standards for accounting disclosure of environmental costs, the absence of local accounting standards that oblige the company to disclose its environmental costs, and the researcher recommends, through the results achieved, the importance of adequate and appropriate disclosure of environmental costs, which has The significant impact because this disclosure will help the management to improve the quality of its information contained in its financial reports and earn the company a good reputation for contributing to preserving the dimensions of environmental and social sustainability.

Keywords: Accounting disclosure, sustainable environmental costs

Introduction

Accountants have recently begun to pay special attention to information in the social and environmental fields, including (sustainable environmental costs), and try to measure their effects, disclose them, and communicate them to the beneficiaries, based on the fact that the field of accounting as an information system affects and is affected by the surrounding society, so economic units are no longer seen as their main goal. Achieving the largest possible amount of profits, but it has become seen as having other social goals in which working human resources, consumers of the product, are taken into account. The surrounding environment and the surrounding community, as it must, in addition to producing goods and providing services of economic value to society, work to reduce pollution in water, air, and soil, reduce noise to the maximum extent possible, and generate sustainable value through programs to protect and improve the environment and preserve it from misuse, it also has a second role represented in the efficient use of the human resources working in it and generating an appropriate impression in the surrounding local community and it has a third role in achieving social welfare through contributions to the continuous education of the community and the establishment of exhibitions, social welfare institutes and parks, and finally with the intention of striving for survival and continuity in the long term In competitive markets, it has basic duties towards the customer to fulfill his desires and tastes and gain his satisfaction through consumer protection programs for the product and through the value chain that contributes to supporting activities and operations that add value to the product and removing activities that do not add value.

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The first topic research methodology

Research problem

The lack of current accounting disclosure for industrial sector companies in providing sufficient information presented in their financial reports regarding environmental costs.

Research Hypothesis

The research is based on a hypothesis that urges industrial sector companies to increase the level of accounting disclosure of environmental costs in order to raise and improve the quality of financial reports for these companies.

The importance of the research

The importance of the research follows from the fact that industry is an important factor in influencing the level of accounting disclosure of environmental costs, as economic units with industrial activity and high risks face great pressures from various parties in society, governments and environmental organizations must seek to improve its image through increasing the accounting disclosure of the environmental costs it incurs in order to respond to the requirements of the aforementioned authorities, especially the government.

Research objective

The research aims to expand the level of accounting disclosure of environmental costs by all governmental economic units in the country and to draw the attention of those in charge, users and the entire community to what these units will do by allocating part of their costs towards the community to maintain their image as well as increase the number of customers and gain public confidence and satisfaction.

Research limits

The research limits in its theoretical and practical framework are divided into the following:

First: Spatial limits: The limits of the research include a case study of the General Company for Tire Industry in Najaf Governorate.

Second. Temporal limits: The financial reports will be selected and presented for the General Company for Tire Industry in Najaf Governorate for the fiscal year 2017.

The second topic accounting disclosure of sustainable environmental costs and its importance in improving the quality of financial reports

The concept of accounting disclosure

Accounting disclosure constitutes one of the important principles in the formation of the theoretical framework in particular, and the government accounting system as an activity branching from it in particular by virtue of its location in this framework. And central in the intellectual framework of accounting as well as in accounting practices and policies, it undoubtedly represents the media entrance to accounting theory (Al-Khaqani, 2005: 6) ^[10], disclosure is also seen as the need for the financial statements and reports to include all the information necessary and necessary to give the users of these reports a clear and acceptable picture

of the accounting unit, by influencing the financial statements or by adding appended statements or within the management report, according to the Iraqi accounting rule (The Office of Financial Supervision, 2011: 8) ^[5], and some believe that the accounting disclosure shows what the lists contain of the main information and that it is sufficient and sufficient and is of interest to the users of these lists and in a way that helps them in making a set of rational decisions (Al-Jajjawi and Al-Masoudi, 2014: 411) ^[2].

Based on the foregoing, disclosure can be considered a subject broad enough to include all fields of financial statements and reports. In order for these statements and reports to become meaningful and useful to users, they must include the necessary and basic information that affects in one way or another the course of the direction of the decision taken by the public of users.

Types of Accounting Disclosure

The types of accounting disclosure can be reviewed according to determining the possible amount of information that must be disclosed. Perhaps the most important and prominent levels of accounting disclosure are the following:

1. Perfect Disclosure: This level corresponds to all the desires of the users.

2. Possible disclosure: This level of disclosure is concerned with the horizontality of the report on all the necessary information that guarantees making it not obscured.

3. Fair disclosure: It is disclosure that is concerned with the balanced care of the needs of all concerned parties (Al-Shirazi, 1990: 331) ^[16].

4. Adequate disclosure: Adequate disclosure refers to presenting the minimum accounting information that must be disclosed (Hanan, 2009: 15) ^[20].

5. Full disclosure: This principle stipulates that the information and lists it contains should be complete, as full disclosure includes the complete and necessary information for the purpose of honest expression (Al-Khatib and Al-Mahaini, 2008: 28) ^[12].

Methods and means of accounting disclosure

There is a set of methods and means used to express accounting disclosure and the nature and quality of accounting information as well as its relative importance. The sixth accounting rule issued by the Council of Accounting Standards, Rules and Auditing in Iraq has been identified, which is related to the disclosure of information related to financial statements and accounting policies, which was approved by the Council in its session held on the 9th. 11/1995 A collection of means of disclosure (Iraqi Accounting Base, 1995: 29-34), including the following:

1. The basic financial statements.
2. Analytical statements.
3. Management report.
4. The report of the external auditor.
5. Margins and terms.
6. A collection of models, charts, figures, and

photographs, as well as preparing descriptive reports.

Elements of accounting disclosure

The elements of accounting disclosure should be known in order to complete the pillars of this disclosure, and that among the most important elements and components of the disclosure process (Al-Jajjawi and Al-Masoudi, 2014: 413)^[2] are the following:

1. Determine the target user of accounting information.
2. The purposes of the information to be disclosed.
3. The nature and type of information to be disclosed.
4. Methods and methods of accounting disclosure.

The concept of environmental costs

Accounting was defined by the American Society of Certified Public Accountants (AICPA) in 1941 as “the provision of quantitative information on economic units, and that this information, which is essentially financial information, is useful in the field of economic decision-making and the rationalization of the selection process”. And in 1975, the American Accounting Association (AAA) defined it as “providing information that can be useful in making economic decisions, and which, if provided in this way, will achieve more social welfare.” Serving decision makers within the economic unit to serving the entire community, and this embodies the modern trend of the field of accounting, which transfers the interest of the financial statements towards the objectives of serving the community and working to provide what achieves its well-being. Thus, social and environmental accounting appeared more than twenty years ago. And it began to expand its concepts and topics with the expansion of its acceptance as a subject of accounting, and the publications of society and the environment increased rapidly, and the increasing interest in finding new ways of accounting in economic units and units and their relationship to society and the environment (Gray, 1990: 1)^[26].

The literature has dealt with several concepts of accounting for environmental performance. There are those who defined it as “a methodology for measuring and communicating information related to the environmental activities of economic units that have an environmental impact to the concerned parties and society in a way that enables monitoring and evaluation of their environmental performance” (Abdul Salam, 1999: 5)^[6].

Types of Sustainable Environmental Costs:

The US Environmental Protection Agency has classified the environmental costs of items (Al-Fatlawi, 2006: 52)^[17] as follows:

1. Potential hidden costs include

- a. Regulatory costs are the costs of monitoring and managing waste.
 - b. External appearance costs, the most prominent of which are engineering, monument and installation costs.
 - c. Traditional costs, such as materials, labor and construction costs.
 - d. Recent return costs such as inventory disposal costs.
 - e. Optional costs such as training costs and environmental studies.
2. Incidental costs such as fees and fines.
 3. Relationship and reputation improvement costs, such as

relationships with society, customers, investors, and others.

Environmental costs were classified according to the Japanese Environmental Agency, according to the purpose of spending, into five sections (JEA, 2000:11)^[27], as follows:

1. The environmental costs of monitoring and controlling the damages resulting from the activity of economic units, such as the costs of averting the risk of pollution and the costs of protecting environmental resources.
2. Environmental costs related to treatment and control of environmental impacts resulting from activities
3. Economic unit.
4. Environmental costs related to administrative activity.
5. Environmental costs of research and development activities
6. Environmental costs related to environmental damage treatment and compensation.

It is worth noting that the amended Companies Law No. (22) of 1997 AD indicated the necessity and importance of finding a proportionality between the pollution caused by companies and the amount of money spent by economic units to contribute to environmental protection (Al-Fatlawi, 2006: 54)^[17].

Objectives of accounting disclosure of sustainable environmental costs:

The main objectives that enhance the level of accounting disclosure of environmental performance (UNEP, 1992: 34)^[29] are as follows:

1. The disclosure is considered as a database upon which to conduct studies related to the environmental impacts of similar industries.
2. Disclosure of environmental performance helps spread a sense of reassurance to the management of the economic unit regarding everything related to the efficiency of procedures and the correctness of operations related to environmental protection.
3. It is a good source of information to identify any problem related to the source and composition of polluted waste.
4. It gives the owners an opportunity to get acquainted with the nature and size of their responsibilities at an early date, which helps them contribute with the management in trying to reduce those costs.
5. Every decision-maker in the economic unit needs evidence that the additional costs spent are caused by the benefits of protecting the environment. Disclosure of the areas of environmental claim focuses on three axes (Al-Shaabani, 1998: 124)^[15], which are as follows:
 - a) Disclosure of environmental policies and activities.
 - b) Disclosure of accounting policies related to environmental issues.
 - c) Disclosure of environmental costs and liabilities.

Note that the disclosure of paragraphs (1, 2) is in the form of notes in the budget, while the third paragraph is in the form of amounts.

From the foregoing, the economic units must disclose their environmental costs because of its great importance in

improving their reputation and maintaining their image and position, especially towards the parties that have a relationship with those units, as this confirms the extent of their commitment to the laws and legislation that are legislated in order to protect the environment and prove their role in Preserving the environment from every danger that threatens it.

Entryways to disclose sustainable environmental costs

Environmental performance is usually disclosed according to organized rules and in a manner consistent with the qualitative characteristics used in financial reporting, as there are a number of qualitative characteristics that must be available in environmental information regardless of the type and form of disclosure, and these characteristics are: understandability, appropriateness, reliability (reliability). Comparability, as these characteristics are necessary for disclosure to be understandable, clear, and error-free (Glen & Tony, 1993:14) ^[28]. It should be noted that there are two types of entrances to environmental performance disclosure (Al-Fatlawi, 2006: 69) ^[17], which are the following:

1. Compulsory or compulsory disclosure: This type of disclosure is subject to a set of laws and regulations that are set by government agencies or professional organizations from outside the economic unit, which aims to oblige those units to disclose everything that may affect and pollute the environment in order to improve its protection and protection from The dangers of pollution in all its forms as well as achieving environmental and competitive advantages for that unit and achieving the goal of delivering this information to everyone who needs it.

2. Voluntary or voluntary disclosure: This is the type of disclosure whose legitimacy is based on internal administrative decisions related to the economic unit itself, where the economic unit under this type is not obligated to disclose its environmental information, but rather it is in a position of choice and there are factors that play a major role in This selection process includes values, ethical principles, customs, the level of environmental awareness, as well as the unit's culture and its awareness of the importance of that.

The concept of quality of accounting information in financial reports

The quality of accounting information is of great importance in determining the quality of reports that will be issued later based on accounting information, and therefore there should be rules and standards for guidance that determine the quality and behavior of information that make it more useful in the decision-making process. The quality of accounting information is a criterion by which it is possible to judge the extent to which accounting information achieves its objectives, and it can also be used as a basis for comparison between accounting methods for the purpose of measuring and disclosing lists. (53), and the concept of quality of accounting information is a broad concept because it includes all the disclosures in the financial statements and reports that make them useful in the field of decision-making (Al-Sakani, 2010: 65) ^[13], the quality of accounting information means "the extent of compliance with the rules

and procedures that are applied regularly and in a way that reflects the reality of the information and the relative importance of this information." Serves users of accounting information (Riyadh, 2012: 42) ^[21], the concept of quality also refers to the credibility of this information and the benefit it achieves for users, and that it is free from distortion and misleading, and that it is prepared in the light of a set of legal, regulatory, professional and technical standards that help achieve the purpose of its use. With this concept, it can be said that the concept of quality Accounting information can be comprehensive, as the basis is the availability of qualitative (technical) characteristics as a basic standard and agreed upon by all standards councils and relevant professional organizations in specific data confirming the importance of this standard and adding to it a set of additional auxiliary standards that contribute to judgment and achieving the quality of accounting information (<http://islamfim.go-forum.net>), this accounting information must be characterized by an appropriate level of quality to meet the objectives of the compilers and users of the information, and determining the level of quality is the basis for evaluating the quality of accounting information (Al-Rifai *et al.*, 2009: 7) ^[3], and the information provided must be of high quality in order for the information to be able to give the user an impression Influential about the accounting unit, as the value of information increases as the degree to which it satisfies the needs of users increases (Ahmed, 2006: 53) ^[7], and that the accounting information extracted from the financial statements is useful to users and there must be standards that make this information useful to users in order to achieve the desired goals (Jarboua, 2007: 509) ^[19], as well as the qualitative characteristics of accounting information, there are other aspects to judge the quality of accounting information to achieve The broad and comprehensive concept of quality (<http://islamfim.go-forum.net>).

The importance of the quality of accounting information in financial reports

To determine the concepts of the quality of accounting information contained in financial reports, this information should be accurate in assessing the quality of accounting information. It also contributes to assisting those in charge of the process of preparing financial statements and reports in evaluating accounting information resulting from the application of multiple accounting methods, as well as in the process of distinguishing between what is considered an explanation. Important and what is not, and the usefulness of the information should be determined on the basis of the objectives of the financial statements that focus on to help the external users of these statements in making important decisions. A set of rational decisions (Al-Shami, 2009: 32-33) ^[14].

The quality of the accounting system and the quality of financial reports

The quality of the accounting system is sometimes used to express the quality of the financial reports produced by accounting. In any case, the quality of accounting is a broad concept and is mainly related to the field of accounting knowledge, starting from the process of setting accounting standards, through professional accounting practices related

to the process of preparing and examining financial statements and reports, and leading to the production of comprehensible and prepared reports. The scope of accounting quality is broad and general, which expands or narrows according to the orientation of researchers. The quality of the accounting system product remains represented in the quality of financial reports (Abu Al-Khair, 2006: 16) ^[1].

Qualitative characteristics of the quality of accounting information in financial reports

It is required to submit financial reports and financial statements with qualitative characteristics and specific features for the purpose of contributing to providing users of financial reports with the information they need, and that the qualitative characteristics that will be presented are characteristics provided by the International Organization of Supreme Audit Institutions (INTOSI) through statement No. About the Accounting Standards Committee in September 1995. Below is the text of the aforementioned statement (The qualitative characteristics of government financial reports must characterize the information contained in financial reports) (Ahmaro, 2003: 314) ^[8]. Perhaps the most prominent of these characteristics are the following:

1. Understandability: In order for information to be useful from the point of view of its users, it must be understandable to those who use it. The accounting information that is included in the financial statements and that is published to the public of users is originally prepared to be understandable to users who have a reasonable degree of understanding of business and economic activities and who At the same time, they have the actual desire to study this information with a reasonable degree of understanding (Abdullah, 2002: 36) ^[22].

2. Comparability: Information is comparable when it helps information users to identify similarities and differences between two or more government agencies during a specific period of time, or differences and similarities in the performance of the same government agency during different periods of time (Mahmoud, 2011: 26) ^[24].

3. Reliability: It means that the accounting information has a degree of objectivity that makes the user of the information trust and rely on it (Mustafa, 2001: 242) ^[25].

4. Appropriate timing: Financial reports must be published immediately after the occurrence of events for the purpose of helping users to carry out activities, and the availability of information in a timely manner alone does not make the information useful, but the passage of time after the events for which the financial report was prepared generally reduces the usefulness of this Accounting information (Ahmed, 2006: 54) ^[7].

5. Relevant to the topic: Information is considered relevant if it contributes to helping information users to carry out their duties. Therefore, those in charge of preparing government financial reports must take into account all the activities and information that users need when determining what is related to the subject of the government financial

report (Ahmaro, 2003): 315) ^[8].

6. Continuity in following the same bases: In order for the financial reports to be understandable, they must be prepared on the same accounting bases as much as possible. The continuity feature in following the same bases allows those who use government financial reports or a group of them on the government to move between the data presented in an aggregate way, for example, to the data The detailed process of moving from one report to another easily and with ease (Al-Khazali, 2007: 101) ^[11].

7. Fundamental: Basic information is what is expected to affect the activities carried out by information users, and this characteristic may affect an item as a result of its size or nature, and it is an issue that may be subject to personal judgment and includes the factors that the compilers of accounting information wish to take into account when determining the availability of The description includes the following: the purpose of the report, the activities of the users, the nature and type of information, and the nature of the responsible government accounting unit (Al-Asadi, 2015: 46) ^[49].

The quality of financial reports and their improvement in light of the importance of accounting disclosure of sustainable environmental costs

Financial reports are a means of delivering appropriate and reliable information about the economic unit. There is a great responsibility that rests on accounting as a field of knowledge, which is the need to provide accounting information to the various relevant parties. Therefore, those in charge of the accounting field, including professional organizations and committees, must realize the desires and needs of those parties and then meet them. This requires more sustainable environmental disclosure about environmental costs. Accounting disclosure of these costs helps improve the quality of accounting information, which in turn is reflected in the container of this information. It is the (financial report) and its quality and continuous improvement, which enables management and users of this information to rationalize their decisions related to investment in assets and pricing decisions. Accounting disclosure of sustainable environmental costs will help increase the level of transparency of financial reports and achieve a competitive advantage for the company.

The third topic

The applied side

An introductory overview of the General Company for Tire Industry in Najaf Governorate:

The General Company for Tire Industry in Najaf Governorate is one of the formations of the Ministry of Industry and Minerals. The company was established according to the incorporation certificate No. (58) on 12/31/1997 AD based on the provisions of Article (6) of the Companies Law No. (22) for the year 1997 AD amended with a capital Its amount is (5,029,000,000) only five billion and twenty-nine million Iraqi dinars, and nothing else. This company is located in the holy city of Najaf, at a distance of about (160 km) southwest of Baghdad, and on the highway between the two holy governorates of Najaf and Karbala, on

the left side of the way to go from Najaf. Al-Ashraf aims to contribute to supporting the national economy in the field of manufacturing tires and tubes of various sizes and types, and rubber products of both natural and industrial types. In order to achieve the objectives of the development plans, the company's main activity is represented in the production of radial tires for saloon and light-duty cars, and there are future plans for the production of tires for heavy-duty and agricultural cars, as well as the production of recycled rubber. In its formation as backup tools, the company consists of a group of factories, including: (Babylon Tires Factory, Inner Tubes Factory, Rubber Revival Factory, as well as Rubber Products Factory) (Management Report of the General Company for Tire Industry in Najaf Governorate, 2011: 1-3).

The accounting system applied in the General Company for Tire Industry in Najaf Governorate

The company applies the (standardized accounting system) because it is an economic unit that aims to achieve profit and relies on self-financing in addition to some loans from the ministry or some banks in order to provide cash liquidity for the company at times, as well as to purchase molds and raw materials. It also aims to finance the salaries of the company's employees. With regard to the accounts of the operating budget plan, while the company applies the (central government accounting system) for the accounts of the investment plan.

Presentation of the financial reports of the General Company for Tire Industry in Najaf Governorate

First: View the management report: It is a detailed report consisting of a group of sections. The General Company for Tire Industry in Najaf Governorate, one of the formations of the Ministry of Industry and Minerals, has prepared it. Productivity While the second section of the report includes general indicators of performance, which include plans and policies to achieve the set goals, ratios of utilization of design, available and planned capacities, rates of development in production compared to the previous five years, cost and percentage of wastage, loss and damage compared to the previous year with a statement of reasons, a statement of the effect of price policy on activity, analysis of quality and quality of production, the volume of import and export as well as the amounts spent on Research and development and the achieved effects The third part of it refers to the financial indicators, which consists of an analysis of profitability and its sources and the internal and external factors affecting it, the return on investment with a statement of its development for at least three years, the impact of inflation on the company's activity and its financial position, a statement of the approved cost accounting system, while the fourth section of the management report, which is the focus of our research, is titled (General Economic and Social Indicators), which in turn consists of a statement of the total ratios (liquidity, capital, activity), the impact of the company's activity on the life of society, the environment and the national economy. and the extent of its contribution to providing and improving working conditions, the impact of the company's activity on the balance of payments, the impact of the measures taken for the purpose of preserving the environment as well as the

extent of the company's contribution to providing the needs or activities of the national economy or providing and developing the use of local alternatives in the performance of the activity as well as the fact that the last and fifth sections of the report include additional information and indicators that show the new concluded contracts and local events as well as the problems and actions taken in this regard Treatments with a statement of reasons, and this report is approved by the Director of Financial Affairs, Director of Planning and Follow-up, as well as the General Manager and Chairman of the Board of Directors, according to the structure and ownership of the General Tire Industry Company.

Second. View the production formula report: It is a report that shows the ready production formula data for the products of the General Tire Industry Company.

Third. Presentation of the report of the Bureau of Financial Supervision / Audit Department of the third region / Hilla: a report showing the observations of the Bureau of Financial Supervision as well as the general-purpose financial statements (financial position, financial performance, current operations as well as cash flows) with a set of accompanying analytical statements that show the amounts in These financial statements are of general purpose and this report is approved by the Director of Financial Affairs, the General Manager and the Chairman of the Board of Directors on the part of the General Company for Tire Industry as well as the head of the working body in the General Company for Tire Industry and the representative of the third region in Hilla authorized by the Audit Bureau, both of them by the Bureau of Financial Supervision.

The accounting disclosure used by the General Company for Tire Industry in Najaf Governorate regarding environmental costs:

First: Accounting disclosure regarding the company's activity on the life of society:

1. The company has afforested the green belt area surrounding the company's areas to avoid dust storms and dust that cause environmental pollution, as well as drilling many wells, which contributes to irrigating the agricultural areas of the surrounding and neighboring areas.
2. Housing the families of the employees in the community in the residential complex within the company and the Al-Haidariyya complex in Al-Najaf Governorate.
3. The company withdraws the used tires and uses them in the production of rugged rubber, which contributes to ridding the environment of the damages of these tires.
4. The company contributes to the use of rugelim rubber in decorating children's gardens and playgrounds.

Second: Accounting disclosure regarding the preservation of the environment:

1. Coordinating with the General Directorate of Environment in Al-Najaf Governorate for the purpose of conducting the necessary tests to determine the suitability of using wastewater from the factory for

- irrigation purposes and examining drinking water.
2. Forming a committee to control dual-use materials, and this was actually done by issuing the same number (1517) on 4/8/2017 AD, and coordinating with the committee for the purpose of completing its work requirements.
 3. Follow-up to conduct periodic tests of drinking water by the company's laboratories.
 4. Conducting periodic and annual inspection of the radioactive sources present in lightning rods and measuring their activity in cooperation with the Iraqi Authority for the Control of Radioactive Sources for the purpose of renewing the possession authorization.
 5. The move to the Najaf Governorate Council at the time for the purpose of granting the company a loan in the amount of (800,000) dollars to purchase a line for cutting and grinding the radial tire according to a study prepared by the environment division of the company.

Analyzing the accounting disclosure from the researcher and indicating the extent of his weakness regarding environmental costs:

1. Most of the accounting disclosure is based on old historical information since the establishment of the company, after studying the management report extensively.
2. There is a noticeable shortcoming in the unified accounting system that the laboratory implements, as the instructions for applying the system do not oblige the company, as well as the entire industrial sector company, to make a list of environmental costs and measure their disclosure in a way that helps users of the company's lists to know the extent of the company's contribution to preserving the environment and society from pollution.
3. After the process of examining the financial statements and in the list of commodity requirements for the fiscal year ending on 12/31/2017, and under the item Miscellaneous Service Expenses under the tab (336), item Other Service Expenses (3369), spending and disbursing an amount of (10,887,960) dinars, which is a very small amount Compared to the total commodity requirements, which amounts to (391,332,572) dinars, thus the percentage of other expenses constitutes (2.78%) of the commodity requirements, as shown below:

Percentage = disbursement of the amount of other service expenses / Disbursement of the amount of commodity supplies

The financial Percentage = 10,887,960/ 39,133,2572

Financial ratio = 2.78%

While the aforementioned amount does not constitute any significant percentage compared to the total disbursed amounts, as shown below:

Percentage = disbursement of the amount of other service expenses / Disbursement of the total expenses amount

Financial Percentage = 10887960/ 36048876079

The financial Percentage = 0.03%, which is virtually non-existent and insignificant compared to the total expenditures.

4. During the process of examining the financial

statements and within the list of commodity supplies (32) for the company for the fiscal year ending on 12/31/2017, it was found that an amount was allocated and spent on medical materials for workers, tab (3263) under the original paragraph, personnel supplies (326) and the amount spent on materials Medical (232,250) dinars, while the amount of expenses for commodity supplies (32) is (956,540,744) dinars, which also constitute a small percentage and indicate the company's lack of interest and care for its employees who may be exposed to many and multiple injuries.

Percentage = disbursement of the amount of medical expenses / Disbursement of the amount of commodity supplies

The financial Percentage = 232250/ 956540744

Financial Percentage = 0.02%

It also constitutes, without any doubt, a small percentage and is almost negligible compared to the amount of total expenditures, as indicated in the following:

The financial Percentage = 232250/ 36048876079

Financial Percentage = 0.0006%

It is noted from the foregoing that the General Company for Tire Industry depends on the accounting disclosure of environmental costs and it is almost non-existent or non-existent at times due to the shortcomings of the unified accounting system and at other times due to the lack of financial allocations in the General Company for Tire Industry or due to the lack of real intention and desire of the company to follow and implement another. Accounting developments issued by local and international organizations and institutes regarding environmental costs and disclosing them in a normative and standard manner, which contributes to achieving and providing information for those in charge and users of the company's information from government agencies, customers and prospective investors, so that they can all make rational decisions, and as a result help the company in improving its position and weak financial position as well as poor financial performance and help the company in bringing in new customers and investors and increase the loans granted by the Iraqi government as a result of increased spending on environmental costs.

The fourth topic

Conclusions and recommendations

The fourth topic: conclusions and recommendations

The most important conclusions

1. The factory management does not play its main role in the accounting disclosure process for its environmental costs.
2. One of the most prominent obstacles and problems that may prevent and hinder the establishment of the General Tire Industry Company and all companies operating in the industrial sector in general is the lack of educational programs that know the importance of environmental costs, the lack of an accounting system that fulfills the purposes of accounting disclosure of environmental costs, and the absence of laws It is mandatory for accounting disclosure of environmental costs, and there are no local accounting standards that oblige the company to disclose accounting of its

environmental costs.

3. The General Company for Tire Industry in Al-Najaf Al-Ashraf includes environmental costs in calculating commodity and service expenses, which reduces the importance of these costs and makes them far from the management's concern, and therefore a careful analysis of the costs is necessary.
4. The absence of a list or financial statement that includes accurate disclosure of environmental costs and their most important components, as they were identified through the types and types of these costs in the theoretical aspect of the research.

Most Important Recommendations

1. The researcher recommends, through the previous conclusions, the importance of adequate and appropriate disclosure of environmental costs, which has a significant impact because this disclosure will help the administration and enhance its status and reputation and enhance its role in improving the quality of its information contained in its financial reports and earning the company a good reputation for preserving the environment and society.
2. The need to work on publishing research and preparing special studies in the field of accounting and disclosure of environmental costs, as a contemporary technology that achieves advantages and gains and increases the main roles of the companies that adopt them, which helps in one way or another to improve the quality of financial reports.

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