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ENVIRONMENTAL ACCOUNTING AND PERFORMANCE OF OIL AND GAS COMPANY IN NIGERIA: A STUDY OF SELECTED OIL AND GAS COMPANIES

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Abstract

This study evaluated the impact of environmental accounting on corporate performance with particular reference to selected oil companies quoted on the Nigeria stock exchange (NSE). To achieve this the impacts of environmental human capital development cost (EHCDC) environmental waste pollution and safety cost (EWPSC) environmental Community development cost ECDC on Corporate performance were examined from which relevant hypothesis were formulated. The study used secondary data extracts from the annual report and accounts of the three selected oil companies, namely Mrs Oil Nigeria Plc. Oando Oil Nigeria Plc, and Eterna oil Nigeria plc. The formulated hypothesis were tested using multiple linear regression models with the aid of SPSS version 21. Following the series of empirical tests conducted, it was found that environment accounting and performance has a great impact oil and gas production companies. Based on the findings, the following recommendations amongst others are made: Government should mandate companies to compulsorily report environmental costs in their annual financial reports since most organization hardly report their environmental activities in their annual audited financial report. Government agencies should give tax credit to organizations that comply with the environmental laws of the land which will-encourage companies to be environmental responsive and proactive. Directors/CEOs of oil companies should ensure that their entities comply with the environmental laws of our country.

Keyword: Environmental accounting, corporate performance, Nigeria stock exchange, human capital development and tax credit

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Introduction

Environmental Management plays very vital role in the development of any nation's economy. In line with this, Karpagam (2001) stated that the economic activities of humanity have a profound impact in the natural environment in the form of a rapid depletion of natural resources stock as well as through pollution. The current state of the world's environment and the impact of mankind on the ecology of the world at large have prompted an increased public concern and scrutiny of the operations and performance of companies. Companies are now expected to be able to demonstrate that they are aware and addressing the impact of their operations on the environment and society in general.

In the light of increasing deleterious effects of environmental pollution, great importance is attached not only to the financial aspects (profitability of companies but also to its environmental and social impact (Adediran and Alade (2013). This led to the federal government establishing various environmental laws among which are the Harmful waste Act 1988, solid and Hazardous management Regulation 1991, and the Environmental impact. Assessment (EIA) Act of 1992.

The states including the local jurisdictions within each state of the country have also enacted many other environmental laws based on hazardous contamination control like the waste disposal law, law against bush burning and periodic environmental sanitation exercise. The problem has been that of compliance and enforcement of the various environmental laws. One major problem has been that of disclosure in environmental reporting accounting. According to Bassey (2013) environmental accounting is defined as the identification, compilation, estimation and analysis of environmental cost information for better decision-making within the firm. It can be defined as the generation, analysis and use of financial and non-financial information in order to optimize corporate environmental and economic performance achieving a. sustainable business growth Bennett and James (1998).

Schaltegger (2000) contends that Accounting for environment helps in accurate assessment of costs and benefits of environmental preservation measures of companies. It provides a common framework for organization to identify and account for past present and futures environmental cost to support managerial decision making control' and public disclosure (KPMG and UNEP 2006). The severity of environmental problems as a global phenomenon has its adverse impact on the quality of our life. Measures are being taken both at the national and international level to reduce prevent and mitigate its impact on social, economic ad political spheres (GRI 2002, GR1 2006). Corporate house run into the risk of loss of faith of their stakeholders if in future environmental performance information is not included in their main stream reporting (Swift, 2001) with the present, regulations on environmental management in Nigeria oil companies 'are subjected to comply with the environmental regulation. By so doing, they incur costs whether this cost improves or reduce financial performance is the central question that will be explored by this research.

Statement of the Problem

The rate of environmental degradation and depletion of natural resources in the Niger Delta of Nigeria due to oil exploration in the area, with its resultant consequences which includes instability and insecurity have necessitated the call for more environmental and ecological protection and preservation in the area, various stakeholders, such as business customers, investors, local communities and government are applying pressure on organizations to improve and report environmental performance.

Conventional accounting over the years has been more concerned with profit maximization and cost reduction, but due to increased dynamism and complexity of modern business practice there is a shift from conventional accounting thought to classical idealist's thoughts, which emphasize on wealth maximization and sustainable environmental spending. This has resulted to various arguments for and against environmental accounting. However, in several cases the balance of costs and benefits of undertaking environmental improvements remains undetermined because companies have not recorded or analyzed vital information such as, impact of environmental human capital development cost (EHCDC), environmental waste pollution and safety cost (EWPSC), environmental community development cost (ECDC) on corporate performance and this can fuel the arguments of skeptics against spending on environmental improvement. This is because in the absence these information management of corporate organizations concludes that environmental accounting increase corporate cost with less benefits while supportive evidence from scholars such as Mitchell, et al (2006) concludes that long term costs can be reduced as more efficient energy practices are implemented, reductions are made in the use and waste of other resources and more efficient disposal and removal of waste production is established. Some companies complain that it can be a long time before such benefits are delivered and that in the short term there can be a substantial financial outlay in order for certain environmental improvements to be established. Others accept that the benefits far outweigh the costs.

Purpose of the Study

The general purpose of this study is to evaluate the impact of environmental accounting on corporate performance in Nigeria; other specific purpose are to:-

i. Assess the relationship between environmental human capital development, cost (EHCDC) and earnings per share (EPS) of the selected oil companies in Nigeria,
ii. Determine the effect of environmental waste, pollution and safety cost (EWPSC) on earnings per share (ESP) of the selected oil companies in Nigeria.
iii. Evaluate the impact of environmental community development cost-(ECDC) on earning per share (EPS) of the selected oil companies in Nigeria.
iv. Determine the combined effect of the environmental costs proxies on earnings per share (EPS) of the selected oil companies in Nigeria.
v. Examine the relationship between environmental human capital development cost (EHCDC) and the return on equity (ROE) of the selected oil companies in Nigeria.
vi. Determine the effect of environmental waste, pollution and safety cost (EWPSC) on return on equity (ROE) of the selected oil companies in Nigeria.

Research Questions

Based on the objectives of this study, the following research questions have been, formulated,

i. What relationship exists between (EHCDC) arid the (EPS) of the selected oil companies in Nigeria?
ii. What is the effect of (EWPSC) on the (EPS) of the selected oil companies in Nigeria?
iii. How does the (ECDC) affect the (EPS) of the selected oil companies in Nigeria?
iv. What is the combined effect of the environmental costs proxies on the (EPS) of the selected oil companies in Nigeria?
v. How does the (EHCDC) relate with the (ROE) of the selected oil companies in Nigeria?
vi. To what extent does the (EWPSC) affect the (ROE) of the selected oil companies in Nigeria?

Research Hypotheses

The following hypotheses are hereby formulated in null form.

Ho_1: There is no significant relationship between environmental human capital development cost (EHCDC) and the .earnings per share (EPS) of the selected oil companies in Nigeria.

Ho_2: Environmental waste pollution and safety cost (EWPSQ) has no significance effect on the earnings per share (EPS) of the selected oil companies in Nigeria.

Ho3: Environmental community development cost (ECDC) has no significant impact on the earnings per share (EPS) of the selected listed oil companies in Nigeria.

Ho4: The environmental costs proxies has a combined significant effect on the earnings per share (EPS) of the selected listed oil companies in Nigeria.

Ho5: There is no significant relationship between environmental human capital development cost (EHCDC) and the return on equity (ROB) of the selected listed oil companies in Nigeria.

Ho6: The environmental waste pollution and safety cost (E.CDC) has significant effect on the return on equity (ROE) of the selected listed oil companies in Nigeria.

Review of Related Literature

The study examined the theoretical background of environmental accounting based on the social theories of accounting. The social theories of environmental accounting discussed in this study includes stakeholder theory, legitimacy theory positive accounting theory and institutional theory.

Stakeholders Theory

The stakeholders theory implies that the business interact with a number of actors in the environment. Those actors as group are called stakeholders and can be investors, political groups, customers, communities employers trade association, suppliers, government etc the communication of influence is bidirectional i.e. the business to its stakeholders and the stakeholders to the business Brow and Deegan, (l995)..

Another opinion is that of freeman and Reed (1983) that viewed stakeholders as any identifiable group or individual who can affect the achievement of an organizations objective or is affected by the achievement of an organization objective in developing the stakeholders theory, Freeman (1983) incorporate the stakeholders concept into categories.

i. A business planning and policy model and
ii. A corporate social responsibility model of stakeholder management,

Legitimacy Theory

Legitimacy is a generalized perception or assumption that the actions of on entity are described properly, or appropriately within some socially constructed system of norms, values and definitions Suchman, (1995).

This theory states that organizations seek to operate within, what is .considered acceptable in society what is considered as acceptable behaviour changes overtime and the firm must be prepared for variations in the environment taking ethical aspects into account Islam and Delgart, (2007) Legitimacy may also be seen as a generalized perception or assumption that the actions of' on entity are described, properly or appropriately within some society constructed system of norms, values-beliefs and definition Gotherstrom, (2012).

Institutional Theory

Deegan, (2009) as quoted in Ali and Rizwan (2013) said that institutional theory provides explanation for the adaptation of a particular organizational practices from within a specific organizational field institutional theory has two dimensions, Iso morphism and decoupling which explains the adoption of voluntary type of social and environmental disclosure Deegan and Jeffry, (2006) Deegan, (2009). These theories discussed above are the theoretical underpinning and framework on which this study was carried out, which also align to the observation of Ali and Rizwan (2013) that the most widely used theories to explain companies, social reporting practice are legitimacy theory, stakeholders theory and institutional theory as stated by Deegan and Jeffry (2006).

Empirical Framework

Quite a number of studies has been carried out on environmental accounting and its effect on corporate performance on companies in different countries. In a study of Okoye and Ezejiofor (2013) on an appraisal of sustain ability of environmental accounting in enhancing corporate production by and economic performance" their proper assesses, the appraisal of sustainability of environment accounting in enhancing corporate performance and economic performance and economic growth.

This study review various forms of journal paper articles and other relevant materials, This paper analyzed and tested two hypotheses with Pearson product moment correlation co-efficient**.** The study discovered that sustainable environmental accounting has significant impact on corporate productivity in order to enhance corporate growth.

Bassey et al (2013) their study was set out to critically analyze the extent of implementation of environmental output of oil and gas companies in Nigeria from 2001 to 2010. The study used multiple regression analytical technique. Findings revealed that there is a significant relationship between the parameters that influence environmental cost management and output of oil and gas produced in Nigeria. Also it was discovered that there are no established standards in Nigeria guiding environmental cost management in the oil and gas industries in Nigeria.

Enyi, (2012) studied environmental and social accounting as an alternative approach to conflict resolutions in a volatile, and e-business environment. It stated that though profits and improvements in world social welfare are the main reasons for industrialization, as governments, and business owners are striving to solve one social problem or the other, there same solution processes scoop up other problems along the line which inadvertently breed conflicts and confrontations between the host communities and the owner and operations of the organizations attempting the solution. Enahoro (2009) assessed the level of independence of tracking of cost impacting on the environment, level of efficiency and appriateness of environmental costs and disclosure reporting.

Bereduqo and Mefor (2012) studied the impact of environmental Accounting and reporting on sustainable development of Nigeria. The study evaluated the relationship between environmental accounting and reporting and sustainable development in Nigeria Pearson correlation coefficient and OLS were used for data analyses and it was discovered that there is a significant relationship between environmental accounting and reporting and sustainable development that environmental accounting encourage organizations track their GHC emissions and other environmental data against reduction targets, and there are consequences for non-compliance with environmental accounting and reporting.

Environmental Cost Variables

As stated by Howes R (2002), Environmental cost variables includes;

- Energy consumption
- Waste management
- Pollution control
- Legal fines and fees
- Social welfare project etc.

Research Methodology

This study adopted the investigative on hypothetical design, involving the investigation of phenomenon based on a prior expectation. This usually involves formulation of hypothetical statement estimation of models analyses of results based on the data collected which are basically secondary in nature. Specifically ex post, facto research design was employed in the identification measuring of the study variables,

Population of the Study

The population of this study-comprises of oil companies listed on the Nigeria stock exchange (NSE). As at the time this study a total of (11) oil companies were listed on the Nigerian stock exchange namely Total Nig Plc, Seplat Petroleum Plc, Japa.il Oil and Maritime Plc, Forte Oil

Plc, Eterna Oil and Gas Nig Plc, Corroil Plc, Anino Nig Plc, Mobile Nig Plc, Rak Unity Petroleum Plc Oandc Nig Plc,, Mrs Oil Nig Plc

To ensure comprehensive data collection covering the period under study three (3) firms whose annual reports and accounts are accessible as at that date of the research were selected by purposive sampling techniques. They include Oando Nig Plc, MRS Oil Nig Plc and Eterna Oil Nig Plc.Date from secondary sources are basically used in this study, for the period 2007-2012. Data are extracted from the annual reports and accounts of the firms as compiled by the Nigerian stock exchange accessed from the internet and published in newspaper. The major statistical tool employed in this study is the multiple linear regression as indicated, in the models below. The analyses are carried with the aid of the statistical package for the social sciences (SPSS) and the hypotheses where tested using the t-statistics.

Model Formulation

Multiple linear .regression model is considered suitable for this study, with. ^{a} emphasis on establishing a relationship between each of the proxies of the study's dependent variable and the independent variables.

The models are specified below:

EPS- F (EHCDC, EWPSC, ECSDC)— (1)

ROE = F(EHCDC, EWPSC, ECSDC)— (2)

Where EPS = Earnings per share

ROE - Return on Equity

EHCDC- Environmental Human Capital Development cost.

EWPSC -- Environmental Waste, pollution and safety cost

ECSDC -Environmental community social Development cost translating the above to regression equations we have EPS= Bo- + Bi EHCDC + B_2 EWPSC + B_3 ECSDC + u-:— (3)

.

ROE= Bo + Bi + EHCDC + B_2 EWPSC + B_3 ECSDC + JLI—- (4)

Where

i B_0 - Scope/intercept

Bi, B_2, B_3 = The coefficients of .the independent variables

N = Error term or stochastic variable

To enable reliability of the result, the data on the various variables are logged to erasure equal base for all the variables in the two models. This resulted in redrafting the two models as follows: -

Log EPS= Bo+Bi Log EHCDC + B_2 Log EWDSC+ B_3 Log ECSDC+ N — (5) Log ROE - Bo+Bi Log EHCDC+ B_2 Log EWPSO B_3 Log RCSDC-[1]- U—- (6).

Decision Rule

Data will be tested at 5% level of significance; therefore decisions on the hypotheses will be based on the following criteria.

Reject Ho and Accept HA; If p-value <0.05 level of significance.

Accept Hoi and Reject HAI: If p-value > 0.05 level of significance.

Operationalization and Measurement of Variables.

	Profit After Taxes
Earnings per share	Numbering equity stock outstanding

EPS figure is used as reported in the company's financial statement

Return on capital employed

$$ROE = \frac{\text{Profit after tax}}{\text{Equity capital}}$$

Data Presentation, Analyses and Interpretation

Data presentation: The data used for analysis in this study are presented in details as appendix.

Data Analysis

Two multiple linear regression models specified in the preceding chapter of this work was analyzed using the SPSS version 21. Results of the analysis are present a follows:

Analyses of model I (Hypotheses 1-4)

MODEL	R	R-SEQUAR	ADJUSTED & SQUARE	STD ERROR OF THE ESTIMATE
1	.869[a]	.754	.632	.34328

A predictors (constant) LOGECDC LOG EHCDC LOG EWPSC U

ANOVA

MODEL	SUM OF SQUARE	DF	MEAN SQUARE	F	SIG
Regression	2.172	3	.72.4	6.143	0.29
Residual	.707	6	.118		
Total	2.879	*9*			

a. dependent variables LOGGEPS (b) Predictors Constraints)

LOGGECDC LOGEHCDC, LOGEWPSC.

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MODEL	UNSTANDARDI2ED CO-EFFICIENT		STANDARDIZED T COEFFICIENT		SIG
	B	STD ERROR	BETA		
Constant	1.895	2.118		-.895	405
LOGEHCDC	-.034	. 262	-030"	-129	.901
LOGEWPSC	-013	- 057	-066	-233	.824
LOGECSDC	. 211	. 065	.898 !	3.232	.018

a. Dependent variables LOGEPS sources SPSS version 21 statistical result 2018.

From the result of the analysis of model I, it is evident that the three independent variable namely environmental human capital development (EHCDC), environmental waste pollution and safety cost (EWPSC) and environmental community social development (ECSDC) aggregates affect the earnings per share (EPS) of the selected oil companies. This is evident with the valise of the R^2 of approximately 75% indicating that changes in the companies (EPS) as a performance indicator are influenced by the values of the environmental management cost (measured by the (EFCDC), (EWPSC) and (ECSDC) by at least 75% while the rest *25%* is accounted for by other variable not captured in the model. The result, also indicates that (EHCDC) and (EWPSC) each has a negative effect on the companies EPS as evidenced by the negative value of the coefficient (B) of the two independent, variables - 0.03 and 0.1 for respectively further reveals a positive effect of the (CSDC) on the companies (EPS) as indicated in coefficient (B) value of 0.211. However, the significance of the results are measured with t-statistics (e.g) as represented under test of hypothesis.

Analysis of Model 2 (Hypothesis 5-8) Model Summary

Model	**R**	**R-Square**	**Adverted R-Square**	**STD Error the Estimate**
1	576[a]	.332	-.002	.73005

A prediction (constant) LOGEWPSC, LOGEHODC, LOGECSDC

ANOVA

Model	**Sum of Square**	**DF**	**Mean**	**F**	**SIG**
Regression	1.591	3	.530	.995	4576
Residual	3.198	6	.533		
Total	**4.789**	**9**			

a. Dependent variable LOGROE
b. Predictors (Constant) LOGEWPSC, LOGEHCDC, LOGECSDC

COEFFICIENTS

Model	Unstandardized Co-Efficient		Standardized	Coefficient	SIG
	B	STD Error	BETA		
Constant	-455	4.504		-.101	.923
LOGEHCDC	-062	.556	-043	-112	.914
LOGEWPSC	-113	-120	-436	-936	.386
LOG ECSDC	-221	.139	-730	1.594	.163

a. Dependent variable LOGROE.

Source SPSS version 21 statistical result 2018.

The results of the analysis of model 2 reveal that the three independent variable namely environmental human capital development cost (EHCDC), environmental waste pollution and safety cost (EWPSC) and environmental community social development cost (ECSDC) show a low combine effect on the return on equity (ROE) of the selected oil companies This is evident with the value of the R^2 of approximately 33% indicating that the values of the three independent variables effects the values of the companies (ROE) only up to about 33% while other variables not captured in the model largely determines the changes in companies (ROE).

The result also indicates that (EWPSC) has a negative effect on the company's performance (measured with ROE) as evidenced by the negative value of the coefficient (B) of (EWPSC) conversely results also indicated a slim positive effect of (EHCDC) and (ECSDC) on the (ROE) with coefficient values (B) of'0.06 and 0.22 respectively. The significance of the results measured with t-statistics (sig.) are however reported under test of hypothesis.

Test of **Hypothesis**

The test results of the eight, hypothesis of this study are revealed, in the analysis result on the tables above.

The hypothesis of the study are restated as follows;

Ho_1: There is no significant relationship between environmental human capital development cost (EHCDC) and the earnings per share (EPS) of the selected listed oil companies in Nigerian. From the table above the test for significance in favour of the first hypothesis shows a value of t-siq > 0.90 (i.e p. > 0.05) indicating no significance this suggests that the null hypothesis I which states that there is no", significant relationship between environmental human capital development cost (EHCDC) and the earnings per share (EPS) of the selected listed oil companies in Nigeria is taken to be true and thus accepted leading to the rejection of the alternative hypothesis.

HO_2: Environmental waste pollution and ^safety cost (EWPSC) has no significant effect on the earnings per share (EPS) of the selected listed oil companies in Nigeria.

From the table, the test for significance in favour of the second hypothesis shows a value of t-square = 0.82 (i.e $p>0.05$) indicating no significance. As in the case of hypothesis this also suggests hat the null Hypothesis? Which states that environmental waste, pollution and safety cost (EWPSC) has no significant effect on the earnings per share (EPS) of the selected listed oil companies in Nigerian is adopted to be true thus the study accepts the null hypothesis? And rejects the associated alternations hypothesis.

Ho_3; Environmental Community development and social cost (ECSDC) has no significant impact on the earnings per share (EPS) of the selected listed oil companies in Nigeria.

From table, the test for significance in favour of' the third hypothesis shows a value of t-sig 0.01 (i.e $p<0.05$) indicating significance. This result suggests that the null hypothesis 3 which states that environmental community development and social cost (ECDSC) has no significant impact on the earning per share (EPS) of the selected listed oil companies in Nigeria is statistically false, thus the study rejects the null hypothesis and accepts the associated alternative hypothesis; thus holds that ECDSC has significant impact on the earning per share (EPS) of the selected listed oil companies in Nigeria.

Ho_4: Environmental costs proxies have no combine significant effect on X the earning per share (EPS) of the selected listed oil companies in Nigeria.

From the ANOVA result in the table it reveals that value of F-sig=O.Q29 (i.e $p < 0.05$); indicating significance. This result suggests that the null hypothesis 4 which states that the three environmental costs proxies have no combine significant effect on the earnings per share (EPS) of the selected listed oil companies in Nigeria of statistically flase, thus the study rejects the null hypothesis 4 and accepts the associated alternative hypothesis, thus affirming that the environmental costs proxies have combine significant effect on the earnings per share (EPS) of the selected, listed oil companies in Nigeria.

Ho_5: There is no significant relationship between environmental human capital development cost (EHGDC) and the return on Equity (ROE) of the selected listed oil companies in Nigeria.

From the significance result in table above, the value of t.-sig.= 0.914 (i.e $p > 0.05$); indicating a case of no significance. This result suggests that the null hypothesis 5 which states that there is no significant relationship between environmental human capital development cost (EHCDC) arid, the return on equity (ROE) of the selected listed oil companies in-Nigeria is statistically true, thus the study accepts the null hypothesis 5 arid rejects the associated alternative hypothesis and holds that there is no significant relationship between environmental human capital development cost (EHCDC) and the return on equity (ROE) of the selected listed oil companies in Nigeria,

Ho_6: The environmental waste, pollution and safety cost (EWPSC) has no significant effect on the return, on equity (ROE) of the-selected listed oil companies in Nigeria.

From the significance result in the table above, the value of t-sig. = 0.386 (i.e. $p > 0.05$) indicating a case of no significance. This result suggests that the null hypothesis 6 which states that the environmental waste, pollution and safety cost (EWPSC) has no significant effect on the return on equity -(ROE) of the selected listed oil companies in Nigeria is statistically true, thus the study accepts the null hypothesis 6 and rejects the associated alternative hypothesis.

Summary of Findings

Findings from the data analysis carried out in the preceding parts of this work are summarized as follows:

1. There is negative but insignificant relationship between environmental human capital development costs. (EHCDC) and the earnings per share (EPS) of the selected listed oil companies in Nigeria.
2. Environmental waste pollution and safety cost (EWPSC) has negative but insignificant effect on the earnings per share (EPS) of the selected listed oil companies in Nigeria.
3. Environmental community development cost (ECDC) has significant positive impact on the earnings per share (EPS) of the selected listed oil companies in Nigeria.
4. The environmental cost proxies have combined significant effect on the earnings per share (EPS) of the selected listed oil companies in Nigeria.
5. There is positive but insignificant relationship between environmental human capital development cost (EHCDC) and the return on equity (ROE) of the selected listed oil companies in Nigeria.

6. The environmental waste pollution, and safety cost (EWPSCj has negative but insignificant effect on the return' on equity (ROE) of the selected listed oil companies in Nigeria.

Conclusion

Based on the findings the study concludes, that Nigerian oil company's adherence to environmental management has only been significant on the community development and social aspect. This is evident in the provision of social services by the companies. But in the areas of human capital development and waste, pollution and safety management, the oil companies operating in Nigeria have not done significantly well, little wonder the various agitations by oil workers in Nigeria and the rampaging environmental hazards clearly witnessed around the Niger Delta Region of Nigeria. However, the study revealed that environmental measure impact positively on performance of the corporate organizations in Nigeria. Thus, companies take their responsibility vis-a-vis the sustainable development into account by decreasing their negative environmental impacts through the implementation of environmental policies, strategies and operations, as called for by Bazin (2004). This holds also for the social field, suggesting that companies respect the social dimension of the -way in which they; conduct their business. This also agree with prior studies of Bered'ugo and Mefor, (2012) which asserts that there are consequences, for non-compliance with environmental accounting and reporting.

Recommendation

Based on the findings of this study the following recommendations are made;

i. Government should mandate companies to compulsorily report environmental costs in their annual financial reports since most organization hardly report their environmental activities in their annual audited financial report.

ii. Government agencies should give tax credit to organizations that comply with the environmental laws of the land which will-encourage companies to be environmental responsive and proactive.

iii. Directors/CEOs of oil companies should ensure that their entities comply with the environmental laws of our country.

iv. Future research is suggested on; valuation for environmental cost and environmental revenue accounting both for efficient internal reporting and statutory financial reporting and disclosure.

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