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THE IMPORTANCE OF INTEGRATING THE ENVIRONMENTAL INDICATORS INTO FINANCIAL AND ACCOUNTING PROCESSES

IMPORTANȚA INTEGRĂRII INDICATORILOR DE MEDIU ÎN PROCESELE FINANCIAR-CONTABIL

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Abstract: *One of the main challenges of the economic crisis which is currently affecting humanity is to find solutions for the re-establishment of a sustainable economic growth in such way that the obvious environmental crisis is not deepened even more. This is why many specialists consider that the transition to an economy which is characterized by a low impact on the environment and an efficient use of natural resources would be now appropriate. In this context, active and voluntary instruments shall be identified and developed in order to assure as sustainable as possible economic and social activities.*

Key words: *environmental indicators, economic activity*

INTRODUCTION

The aim of any economic activity is to obtain profit, but in doing this, it has to take into account the need to protect the environment. In case that the contradiction between the natural environment and the economic growth deepens, the financial results obtained by companies and indicated by accounting become one of the main value levers, as well as the source of the budgeted incomes which are necessary for environmental protection. Therefore, profit may be considered as a source which contributes to the preservation of environmental quality and the protection of resources and a development source. This is why an environmental accounting is necessary

to allow a better quantification of the results indicated by financial and accounting statements.

MATERIAL AND METHODS

The quantification of economic performances and the establishment of their interdependence with the ecological performance may be accomplished only by establishing several indicators which will be more comprehensive than the current ones and which will allow the measurement and analysis of economic activity related costs in the context of environmental preservation.

These indicators, being highly synthetic, are obtained based on the data supplied by the National Accounting which uses the National System of Accounts (NSA).

NSA includes a set of accounts which contain data with the help of which indicators as the following may be established: gross national product, added value and balance of trade. All the indicators used are based on a standard format which allows them to be compared at national and international level, and to establish the place which is occupied by each country.

RESULTS AND DISCUSSIONS

Although there is interest in environmental accounting, both at national and international level, regarding the establishment of some environmental accounts, it is difficult to establish the value and role of economic resources for the productive activity.

Here are some of the supportive arguments: Environmental expenses cannot be identified within the data from National Accounts; The use of natural capital is treated only as a depreciation of the physical capital without taking into account the regeneration capabilities of natural goods; Many of the environmental goods are evaluated only at their economic value, and other are under-evaluated because they cannot be sold on the market; Most of the environmental services cannot be sold on the market and this is why they cannot be evaluated in money. Thus, they are not included in the National Accounts.

As regards Romania, the establishment of accounts by which the economic use of the environment at national level is indicated is an answer to the failures of the existent National Accounts. They are supplemented by an integrated "economy-environment" accounting.

The Environmental Accounting at national level has four components: The accounts for environmental goods which indicate the natural resource base; The accounts related to the flow of materials (energy and resources) in economy, which supply information at the level of economic activities regarding the use of energy and materials as inputs for production and final consumption, generation of pollutant emissions and waste; The satellite accounts with expenses for environmental protection and resource management which identify the expenses from the National Accounting made by industry, public administration and households for the protection and management of environmental resources; The macro-economical indicators adjusted with the environmental elements, and transformed into composed indicators, as sustainable development indicators or disengagement indicators. Compared with the National Environmental Accounting, the Environmental Accounting for companies is focused on the cost structure and environmental performances of the companies. It is accepted by the managers of organizations as a response to the reduction of costs on the one hand, and the reduction of the impact of activities on the environment, on the other hand.

In order to minimize the environmental impact, information are necessary about the environmental costs related to the developed activities, this being in close relation with the tendency of organizations to implement environmental management systems. Many companies fail to identify the environmental costs and it is difficult to identify the environmental performance of such organizations. On the one hand, through environmental accounting, companies can make a quantitative evaluation of the results of the initiatives regarding the change of the economic system in order to comply with the sustainable development requirements and, on the other hand, they may use the environmental accounting as an analysis method designed to increase the efficiency and the effects of their environmental protection measures.

Thus, in order to quantify the environmental protection efforts, the environmental costs has to be established. They are represented by the costs

related to environment cleaning activities after the end of the production process or the costs related to the waste treatment, information that can be useful for the short term management.

The environmental costs include internal and external costs related to protection or an environmental damage repair. Thus, the internal costs are costs for waste generation, treatment and removal, being represented by the costs for diminishing or compensating the negative environmental impact of the company. The external costs include the social and environmental impact caused to other companies by its own activities. According to the "polluter pays" principle, these externalities have to be internalized in the organizations which produce them. They are in fact social costs. This is why the Environmental Accounting enforcement also depends on understanding the differences between private and social costs.

CONCLUSIONS

In conclusion, we can state that the environmental accounting is a vital instrument for the management of a company, for managing the risks and environmental operating costs. The integration of environmental performances into the financial processes will take place only by using an environmental accounting system, and by including their results in the company documents, they will contribute to a better management of the phenomena which contribute to environmental protection: energy preservation, waste reduction, pollutant emission reduction etc.

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