

Analysis of Environmental Accounting and Reporting Practices of Listed Banking Companies in Nigeria

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To cite this article:

Adebayo Kajogbade Kameel, Adegbie Folajimi Festus. Analysis of Environmental Accounting and Reporting Practices of Listed Banking Companies in Nigeria. *Journal of Finance and Accounting*. Vol. 11, No. 4, 2023, pp. 134-142. doi: 10.11648/j.jfa.20231104.18

Received: July 22, 2023; **Accepted:** August 11, 2023; **Published:** August 28, 2023

Abstract: Globally, environmental accounting and reporting practices as a branch of accounting has been significantly accepted to improve organizational financial performance as a result of both financial and non-financial disclosure on the usage of key natural resources. Multiple uncoordinated legislations by several environmental agencies and lack of technical monitoring devices are responsible for partial compliance with these regulations. Evidence from literature showed that it has improved community and organizational relationship. Nigeria Deposit Money Banks, as a subset of global corporate bodies were reviewed in this study for complete adherence to the Global Reporting Initiative (GRI) requirements and identify any challenges for non-compliance with environmental regulations. *Ex-post facto* research design was employed by the study. Sample of fourteen listed banks were selected out of the population of twenty two banks using purposive sampling technique. Secondary data were obtained from the annual reports and accounts of fourteen listed deposit money banks as at December 31, 2019. Data obtained were reviewed along the adapted environmental reporting indicators and previous research works conducted by earlier researchers. Contents analysis approach was adopted. The study revealed that Nigeria deposit money banks do not strictly adhere to global reporting initiative requirements since environmental reporting is at voluntary stage in Nigeria; Inadequate monitoring by the environmental agencies and regulatory auditors and non-inclusion of EA & RP in their annual reports and accounts. Challenges identified for non-compliance were categorized into three main groups namely; legal frameworks, DMBs related problems and Staff / Individual related problems. The study concluded that environmental accounting and reporting practices is positively significant to the corporate performance reporting; and its inclusion of non-financial reporting has significantly improved corporate decision. Nigerian deposit money banks have identified its relevance to their global acceptance by foreign investors and stakeholders. The study recommended that regulators and accounting professional bodies should make environmental accounting and reporting practices mandatory and its preparation and presentation should be uniform for easy understanding and analysis. Legal framework and policies should be enhanced by governments and agencies while auditors should be mandated to include EA & RP on their checklists.

Keywords: Corporate Responsibilities, Environmental Accounting, Reporting Practices, Sustainability

1. Introduction

Globally, accounting reporting and financial presentation have moved beyond only monetary reporting, but involves some other branches of accounting such as Environmental Reporting and Human Resource Accounting. Stakeholders are now interested on the implication of their corporate responsibilities and its impacts on their environments [1]. Therefore, environmental accounting and reporting practices

are now required globally, like every other accounting practices, to align with both the regulatory and mandatory reporting frameworks. These requirements may be supported by some voluntary disclosure for corporate image purposes and avoidance of risks accusation. "Voluntary environmental disclosure is perceived as defensive step to avoid negative regulatory and legislative pressure in the future" [2]. Environment, simply refers to surrounding of an object [3]. Accounting is the systematic recording and reporting of financial information so that the actual financial position of

an enterprise can be ascertained at a specific period of time; i.e. daily, weekly, monthly, quarterly or annually. Therefore, environmental accounting and reporting is the process of preparing, recording and communicating environmental activities of a business to its stakeholders for economic and market valuation [4].

The twin problem facing the economic development globally is economic growth and conservation of its surrounding [3]. It is relatively difficult to achieve economic growth without environmental destruction to the community either as a result of pollution of air using generator or pollution of water by oil explorers or combination of both noise and air pollution and their consequent effects to well-being of their stakeholders. Various government agencies and parastatals are now waking up to their responsibilities by promulgating several legislations against air, water and noise pollution in protecting the well-being of their citizens. Listed banks in Nigeria, like every other corporate organizations, are not exempted in complying with environmental accounting and reporting frameworks. Though some banks find it necessary to prepare a separate reporting documents apart from their annual statement of accounts because of the significance attach to it while some present it together in their annual statement of accounts. Though presently, there is no legislation or accounting standard guiding how the environmental accounting should be reported [5, 6].

1.1. Statement of the Problem

In Nigeria, there are multiple legislations promulgated by different agencies and parastatals guiding environmental accounting and reporting. These regulations are not coordinated; thus making it extremely difficult for any organization to significantly comply with them without any violation. Along the issue of multiple legislation is lack of technological monitoring of compliance with those legislations. The lack of technical monitoring devices and skills made the assessment subjective and biased. Complexity of reporting and lack of environmental reporting accountants with perquisite skills and technical know - how have made both the reporting and the interpretation difficult and consequently of no significant values to the stakeholders [7].

In this report, the benefits of environmental accounting will be discussed; the regulatory framework of the corporate environmental accounting as contained in the Global Reporting Initiatives (GRI) will be analyzed; including some voluntary disclosure and their importance; detailed analyzes of selected listed banks environmental reporting compliance with regulations; observations and recommendations as a result of the findings.

1.2. Objectives

The study confirmed the adherence of Nigeria listed banks to the global reporting initiatives requirements in the environmental accounting and reporting practices in Nigeria. The following were specific objectives considered in the study:

1. To highlight the GRI requirements and its adherence by listed banks in Nigeria.
2. To confirm the inclusion of environmental accounting and reporting practices in the Nigeria listed banks annual financial statements and reports.
3. To identify the challenges encountered in reporting environmental accounting and reporting practices by the Nigeria listed banks.

1.3. Hypotheses

H₀₁: The GRI requirements were not significantly adhered to by Nigeria listed banks.

H₀₂: Nigeria listed banks do not significantly include environmental accounting and reporting practices in their annual financial statements and reports.

H₀₃: There are no significant challenges encountered in reporting environmental accounting and reporting practices by Nigeria listed banks.

2. Literature Review / Theoretical Review

2.1. Conceptual Review

2.1.1. Environmental Accounting

"A successful environmental management system should have a method for accounting for full environmental costs and should integrate private environmental costs into capital budgeting, cost allocation, process / product design and other forward looking decision. Most corporate information and decision systems do not currently support such proactive and prospective decision making." [8]. The focus of Environmental / Green Accounting / Resource Accounting is to incorporate the use of or depletion of natural resources in addition to its target of incorporating both environmental and economic information [3]. Green / Environmental Accounting as a subset of proper accounting can be categorized into three main headings known as Global environmental accounting; National environmental accounting and finally, Corporate environmental accounting which may be either of Environmental Management Accounting or Environmental Financial Accounting. These categorization of Environmental Accounting is also referred to as Scope of Environmental Accounting considered to be relatively wide. Environmental Accounting is not peculiar to Accounting Information alone and producers or users are not limited to Accountants. They may be produced by any of the stakeholders in the business that are involved in making business decision ranging from product designers, financial analysts, facility managers and customers in general; be it internal customers or external customers. Any collected information for analysis and decision making are qualified as environmental information which include input prices, legal and marketing information and financial analysis of competitors' data including technical and scientific data that relate to production processes and physical outputs by counts, volume and value.

2.1.2. Reporting Practices / Framework for the Preparation and Presentation of Financial Statements

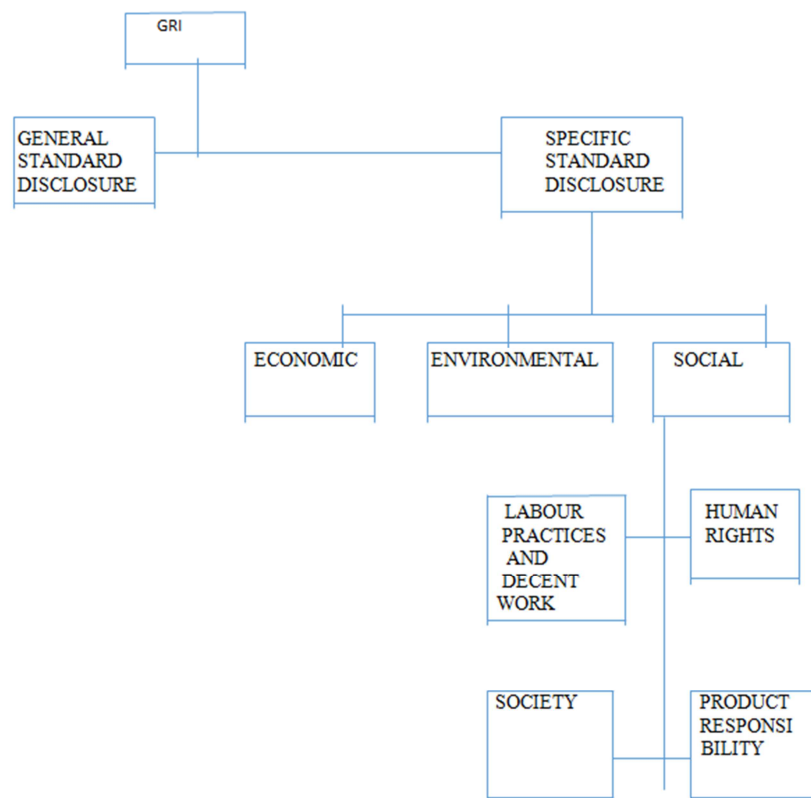
Globally, corporate organizations showcase their scorecards through the preparation and presentation of financial statements for their external users. Nowadays, financial statements are not limited or restricted to financial information alone, but the inclusion of environmental financial reporting [3]. Therefore, environmental financial reporting covers all activities associated with the corporate's financial and non-financial environmental information as specified by the regulations of each countries in accordance with their social economic and legal circumstances. Like every other financial statements preparation and presentation; environmental accounting financial reporting practices align with the established framework for the preparation and presentation of financial statements. Thus; Accountability of Information as required by paragraph 14 of the framework; Relevance of Information as contained in the paragraph 26; Materiality of Information as affected by its nature and materiality (Para 29 & 30); Substance Over Form, Neutrality and Prudence as specified by paragraphs 35 and 37 respectively should serve as guide in the environmental

accounting financial reporting practices [3].

IAS 1 – Presentation of Financial Statements states that “the objective of financial statements is to provide the following information about an entity to the wide range of users in making economic decisions; the financial position; financial performance and cash flows” Therefore, in meeting the above stated objective, the statements highlights some minimum information to be provided by every entity.

2.1.3. The Global Reporting Initiative (GRI) and Its Disclosure Requirements

Global Reporting Initiative also known as GRI was established in 1977 as an organization in playing special role in the field of sustainable reporting globally. The Initiative was created by Coalition for Environmentally Responsible Economies in partnership with (UNEP) United Nations Environmental Programme. GRI established various guidelines ranging from G1, G2, G3 and G4 from year 2000, 2002, 2006 and 2013 respectively. The G4 is the final GRI guidelines and serves as generally accepted framework in the field of reporting economic, environmental and social performances of the organizations [3].



Source: Swam, Kanugo and Dash (2017) (Adopted)

Figure 1. Gri Structure.

The above Figure 1 shows a comprehensive GRI structure which is categorized into two broad disclosure standards known as General Standard Disclosure and Specific Standard Disclosure. The part 1 known as General Standard Disclosure required seven main contents are as follows:

1. Strategy and Analysis

2. Organizational Profile

3. Report Profile

4. Stakeholders Engagements

5. Governance

6. Ethics and Integrity

7. IMA & B (Identified Material Aspects and Boundaries).

The second aspect of GRI known as Specific Standard Disclosure consists of Environmental, Social and Economic Disclosures as expected of generally acceptable reporting framework. Economic Standard Disclosure consists of economic performance, market presence and procurement practices and concern. Social Aspect is broken into four as specified in the table namely; Human rights, labour practices, society and product responsibility while environmental aspects consists of twelve disclosure standards as follows: [3].

1. Biodiversity
2. Compliance,
3. Energy
4. Environmental Grievance Mechanism
5. Effluents and Waste
6. Emissions
7. Product and Services
8. Water
9. Materials
10. Overall
11. Supplier Environment Assessment and;
12. Transport

2.1.4. Specific Benefits of Environmental Accounting to Corporate Bodies

Apart general benefits from the implementation of environmental accounting ranging from effective government policies and programmes; serving as essential business tools for creating internal demands resulting in cleaner and less wasteful production; most valuation data generators for effective and efficient management decisions; more cooperation between the private sectors, communities and government in meeting the needs and expectations of all the stakeholders; specific benefits can be categorized into three main groups, namely; Compliance, Eco-Efficiency and Strategic Position. Although, the demarcation between the three are very few because efforts in meeting one may lead to avoiding the other [6].

Pollution Control Investments Planning and Implementation, Investigating and purchasing cost – effective competitive toxic materials and timely reporting of environmental waste and emissions to the appropriate regulatory authorities are Compliance activities that build good and effective relationship between the communities, stakeholders at large and the government in particular. It eventually reduces cost of operations and better returns for the management and shareholders [3].

Eco-Efficiency activities are general efforts target towards cost reduction and efficient use of biodiversity, energy, water and materials during the operations and efficient investment returns while Strategic Position supports the evaluation and implementation of cost-effective long term activities ranging from efficient suppliers selection in aiding supplies; meeting all required regulations and be friendly to regulators and finally, transparent reporting to all stakeholders; both internal and external stakeholders [5].

Having reviewed the environmental accounting and reporting practices in general, the GRI global reporting

disclosure standards; the specific benefits of environmental accounting along the general benefits; the study has dragged these concepts along Nigeria listed banks to confirm the significance of these concepts in their preparation and presentation of annual financial statements.

2.1.5. Related Environmental Laws in Nigeria

In Nigeria, several agencies were established to manage the growth and development of environmental for the ultimate benefits of human beings, animals and to protect the nature. In executing their mandates, laws/acts were promulgated along their main functions. National Environmental Standards and Regulation Enforcement Agency – NASREA for instance developed regulations for National Effluent Limitation which requires “*industry facilities to have anti- pollution equipment for the treatment of effluent and submission of a composition of the industry’s treated effluents to the agency*”. Other related environmental regulations in Nigeria are “National Environmental Protection Regulations (1991); Federal Solid and Hazardous Waste Management Regulations (1991); Environmental Impact Assessment (EIA) Act; The Nigerian Urban and Regional Planning Act 2004; Land Use Act 2004; Hydrocarbon Oil Refineries Act 2004; Oil In Navigable Waters Act 2004; The Endangered Species Act 2004; Sea Fisheries Act 2004; Inland Fisheries Act 2004; Exclusive Economic Zone Act 2004; Petroleum Oil 2021; Petroleum Drilling and Production Regulations; Petroleum Refining Regulations; Territorial Water Act 2004; Nuclear Safety and Radiation Protection Act 2004; Nigerian Mining Corporation Act 2004; Pest Control Production (Special Powers) Act 2004; Agriculture (Control of Importation) Act; Animal Diseases (Control) Act 2004; Hides And Skins Act 2004; The Federal National Parks Act 2004; Niger-Delta Development Commission (NDDC) Act 2004; Water Resources Act 2004; and Environmental Pollution Control Law” [23].

2.2. Theoretical Review

This study was anchored mainly on Stakeholders theory and Legitimacy theory.

2.2.1. Stakeholder Theory

Unlike Shareholders theory which focuses more on the relationship between the shareholders and the managers representing the corporate organizations; stakeholder theory extends the scope of relationship to include every other categories of stakeholders ranging from customers, competitors, regulators, suppliers and the employees to the local communities where the business operates. The theory considers the “firm as the nexus of contracts between management and shareholders on one hand and other stakeholders like employees, creditors, shareholders, government and other stakeholders on the other hands” [9].

Therefore, organization does not exist for the benefits of itself and owners alone; other stakeholders’ interest must be properly addressed for the organization to go far. Profit

making is not the cardinal reason for the existence of any business; meeting the interests of other stakeholders for the long term sustainability are also important. "An organization that places too much concern on profitability with little or no consideration for environmental sustainability may not remain competitive in the long run because, for organization to remain going concerns, maintaining relevance by solving the environmental, social and economic problems of the society becomes sacrosanct" [10].

Perveneh S. et al opined that "Stakeholder theory suggests that every organization strive to create value for all stakeholders as a reason for its existence [11]. In addition to fulfilling its economic responsibility to the shareholders, the firm is obligated to fulfill the legal and ethical responsibility to society, the government and customers in order to attain sustainable long term value for the organization. Failure to accomplish these responsibilities can cause failure in the value creation process for the organizations". Freeman and Mcvea, (2001) posit that systematic managerial attention to stakeholder interests is critical to firm success [12].

In the context of this study, stakeholder theory posits that organizations that are concerned with interests of all stakeholders such as effective investment of environmental conservation cost; concerned with issues such as management of hazardous substances; and management of all internal stakeholders by meeting the expectations of employees by increasing corporate value and ensuring stable growth of the organizations may enjoy business sustainability and long run profitability than organizations that did otherwise.

2.2.2. Legitimacy Theory

Legitimacy theory relies upon the concept of 'social contract' between the organization and the society in which it operates [13]. The concept represents the "multi-explicit and implicit expectations of society on how organizations should conduct their operations. Society allows organizations to continue to operate to the extent that they meet its expectations". It thus predicts that managements will adopt "strategies to assure the society that the organization is complying with the society's values and norms, for example, the disclosure of information in the annual reports and subjecting the financial reports to annual audit. Management will strive to meet the expectations of society in terms of information disclosure, accountability, the value relevance of information provided to users".

Dowling, J. and Freefer, J. (1975) defined Legitimacy theory as "a condition or status which exists when an entity's value system is congruent with the value system of the larger social system of which the entity is a part. When a disparity, actual or potential, exists between the two value systems, there is a threat to the entity's legitimacy" [14, 15]. "Legitimacy, in its generic sense, is a generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs and definitions" [16]. Therefore, Legitimacy theory believes that every

organizations would want to operate within the bounds and norms of their respective societies. Suchman (1975) further opined that "Legitimacy theory can be seen from two levels namely; Macro – theory / Institutional level, concerned with how organizational structures gain acceptance and empowerment by the society at large which ultimately make organizations seem natural and meaningful; and Organizational level which is concerned with how organizations, through their activities and actions establish, maintain, extend and defend their legitimacy" [16].

Sobhani, F.; Arman, A. and Zianuddin, U. (2015) say "Legitimacy concerned organizations are therefore interested in disclosing positive information rather than negative information. Legitimacy is important for every organization to manage its strong and reputed position and status in the society and to know the reactions of respondents from the society" [17]. Globally, corporate bodies are nowadays interested about public perception of their prevailing environmental activities and consider Environmental Reporting as an emerging tool to gain societal support and reputation [18]. He further confirmed that "many studies have found that Environmental Accounting Reporting disclosures are commonly positive and self-praising, with a little bad and natural news disclosed." Along this perception, we expect that listed banks in Nigeria will do nothing less than positive reporting of their activities unless strict monitoring mechanisms are adopted by the regulators.

2.3. Empirical Review

Review of previous researches on Environment Accounting were carried out to examine their findings and related gaps on their studies. "Environmental accounting Disclosure and Firms Profitability in Nigeria" by Ojo and Balogun,, (2019) described Environmental Accounting as aims at achieving sustainable development, disclosing and maintaining a favourable relationship with the community and in pursuant of economic effect and effective environmental conservation [6]. The researchers show that there is a significant negative relationship between Environmental Accounting Disclosure and ROCE and EPS but a significant positive relationship between EAD and NPM and DPS. The work recommended that as a result of their findings, government should enforce compliance of EAD in the companies' annual reports and accounts. Also, tax credit should be considered by government for those companies that have been complying environmental laws and regulations.

Musa, S. J.; Peter, T.; and Bukar, M. (2015) researched on "Environmental Accounting Disclosure Practices of Nigerian Quoted Firms: A Case Study of Some Selected Quoted Consumer Goods Companies" [19]. Their study confirmed that Environmental Accounting Disclosure bin annual report is voluntary as there are no accounting standards or regulations that mandated such disclosures. Only factors currently responsible for voluntary disclosure are Industrial Practices, Pressure from Environmental Activists and Advocates and relationship with parent companies. The

findings after their detailed analysis revealed that accounting standards do not significantly influenced EAD and non-existence of accounting standards lead to lack of uniformity in disclosures. The research recommended for IAS to come up with uniform standards on how companies should be disclosing their Environmental Accounting Information.

Yaakoo, P. D.; Ibanichuka, E.; and Ofurum, C. (2021) researched on “Environmental Accounting Practice and Return on Asset of Quoted Manufacturing Companies in Nigeria” [7]. The study investigated the “effect of Environmental Accounting techniques on financial performance of Nigeria publicly traded manufacturing enterprises” and discovered that environmental accounting is poorly performed in Nigeria manufacturing sectors. They therefore recommended that “manufacturing companies should abandon business practices that are harmful to the climate, hydro resources and forests in favour of Green practices aiming at reducing, recovering, reusing and recycling waste thereby contributing to the overall well-being of people, society, and the planet as well as sustainable return on assets of the companies”. Onipe, A. Y., (2018) studied “Environmental Reporting Practices and Financial Performance of Listed Environmentally-Sensitive Firms in Nigeria” and confirmed that are limited empirical studies on the subject in Nigeria [20]. His findings revealed that “environmental reporting has positive and significant effect on financial performance and thereby concluded that environmental disclosure practices are important consideration in determination of corporate financial performance” and recommended among others that “environmentally-sensitive firms should sustain and enhance reporting of their environmentally friendly activities since they enhance their financial performance”.

Adegbe, F. F. and Nwobodo, H., (2020) studied “Environmental Accounting and Reporting Practices: Significance and Issues in Nigeria Listed Deposit Money Banks in Nigeria” [1]. The study made use of primary data from 17 listed banks in Nigeria and came out with the findings as thus; “Strong significance of EA and ER in their annual reports; the respondents have always been aware of EA and ER practices and finally, identification of major problems that hindered the complete compliance with EA and ER”. The report concluded that “EAR practices in DMBs is highly significant but not too satisfactory as there are many issues hindering them from carrying out best practices in EA and ER”. Recommendations were made for the improvement of EA and ER and addressed to appropriate authorities for actions. Alawode, O.; and Adegbe, F. F., (2020) researched on “Environmental Accounting and Reporting Practices: Significance and Issues and Journey Ahead in Nigeria Corporate Organization” [5]. The study examined the qualities of environmental accounting which involves the “identification, measuring and controlling of costs, liabilities and consequential assets that may be affected in the course of ordinary business and it encompasses sustainability reporting as well”. The findings of the study revealed that “environmental accounting is still at infancy and the need for

an implementation roadmap backed by the necessary statutes will be desired to ensure that all the accruable benefits of environmental accounting and reporting are enjoyed”.

Kwanum, I. M.; Lorpev, L.; and Azende, T., (2021) examined the “Effect of Profitability and Firm Size On Environmental Disclosure of Listed Environmentally-Sensitive Firms in Nigeria” using the sample size of 24 and Random Effect Regression Technique was used for the analysis [21]. The findings showed that “Profitability has a positive significant impact on Environmental Reporting while Pay-roll size has a negative and negligent effect on Environmental Reporting”. Recommendation was for managers to aggressively promote profitability to maintain environmental sustainability. Ilemona, S. A. and Nwite, S., (2020) examined the relationship between Environmental Accounting and Performance reporting (EAPR) and Social Responsibility Performance (SRP) and also, the relationship between Environmental Conservation Cost (ECC) and Environmental Conservation Benefits (ECB) [22]. The study analyzed data obtained from randomly selected six manufacturing firms in Plateau and Kano States of Nigeria; their findings indicated a positive relationship EAP and SRP and also between ECC and ECB. The study recommended that Nigerian organizations especially the manufacturing outfits should disclose sufficiently as a separate documents on environmental and social responsibility reports and government on their parts should enforce legislation and guidelines through their relevant agencies.

In addition to the above prior studies empirically reviewed, we also reviewed various regulations and laws as contained in the list of Environmental Laws in Nigeria [23]. The major gaps as observed are in the inappropriate and inadequate laws and regulations. Corporate bodies are overwhelmed and find it extremely difficult to ensure compliance of those inappropriate regulations. Monitoring system is another gap observed. Most auditors audited only financial statements and related financial regulations and did not comment on environmental disclosures and relevant agencies are not automated or well-staffed to ensure monitoring of those regulations; leaving compliance to be voluntary. Tax credit recommendation is another gap observed. We strongly believe that this may be tantamount to giving bribe for doing what is required by laws.

3. Methodology

The study adopted *ex-post facto* research design. The sample size of 14 listed banks were purposively selected out of the population of 22 banks. This research work was based solely on secondary data obtained from annual reports and accounts of listed deposit money banks in Nigeria. The secondary data was obtained using the listed deposit money banks in Nigeria as contained in Appendix 11, their annual reports and accounts were then examined along the key Index of Environmental Disclosures as attached in Appendix 11.1. We undertook comprehensive review of prior studies on environmental account and reporting practices to appreciate

the public perception of the environmental accounting and reporting practices in general. The contents review approach was adopted given the time and resources constraints. This is in line with other researchers (Musa, S. J.; Peter, T., & Bukar, M., 2015) [19].

4. Data Analysis, Results and Discussion of Findings

The outcome of our details review of the listed deposit money banks revealed that; as a result of no uniform standards on environmental accounting and reporting practices; environmental activities reported by banks are not uniform in their presentations and more of voluntary disclosure that being statutorily or mandatorily required. Also, banks' presentations are more on environmental financial related costs. Banks present more on quantitative than qualitative information. GRI requirements were not significantly adhered to as some indicators were missing on their audited annual reports and accounts.

Inadequate monitoring and In-appropriate regulations were observed during the course of our research. Banks were overwhelmed with all such of in-appropriate legislations / regulations and sincerely find it difficult to comply with the environmental indicators reporting checklist as indicated on Appendix 11 – Index of Environmental Disclosure. Both federal / state environmental agencies and regulatory auditors are not on top of environmental accounting and reporting practices monitoring as no mention of single environmental breaches were reported by the auditors in their audit opinions. Inclusion of Environmental Accounting and Reporting Practices by all listed deposit money banks in Nigeria are not consistent since the presentation are still voluntarily done. Only Access Bank Plc has ever produced a comprehensive report on its Corporate Social Responsibilities engagements and this has not produced year on year; therefore, not consistent.

Despite the several benefits of environmental accounting and reporting practices to corporate organizations; the study researched into challenges facing Nigeria deposit money banks for not having complete adherence to EA and RP and the challenges observe were classified into three main groups; legal framework; Individual / Staff Related and finally; DMBs problems. In Nigeria, legal framework on the environmental accounting and reporting practices in general are still at developing stages. The regulations are not robust and their implementations are very difficult; defaulters are not easy to prosecute and requirement to disclose such violation on their annual reports and accounts. DMB related problems are lack of environmental policies and management support for environmental expenses; lack of qualified staff recruitment as a result of lack of staff priority in the area. Provision of adequate trainings to the existing staff including managements as lacking in some of the listed deposit money banks reviewed as indicated on their staff report. Staff / Individual related challenges are lack of adequate skills,

knowledge and trainings. Accountants find the fields as evolving and are generally not disposed to working on environmental accounting as a field.

5. Conclusion and Recommendations

Environmental Accounting and Reporting Practices is becoming relevant in the global corporate performance reporting. It has exposed the need for non-financial reporting in addition to financial reporting in making improved corporate decisions. Stakeholders are more inclined to environmental friendly organizations and very significant in long term business sustainability.

In this study, Nigerian Deposit Money Banks were analyzed using the ten main environmental disclosure indexes such as Organizational Overview; Prevention or Repair of Environments; Corporate Social Responsibilities; Environmental Impact Assessment; Aesthetics Improvement; Pollution Control Measures; Conservation of Natural Resources; Environmental Accounting; Project Planning Management and Social Costs. These indexes were further itemized into twenty three for information analysis. Only four out of the twenty three items, namely; Corporate Social Responsibilities; Impact of Organizational Activities on Environment; Environmental Risk Management; and Tree Plantations were disclosed on their annual reports for the periods reviewed by some of the surveyed banks.

Deposit money banks in general being a subset of global corporate bodies, have identified the significance of environmental accounting and reporting practices and have increased its awareness towards complete compliance with global reporting initiatives requirements for them to be acceptable in the international stock markets and attracts foreign investors thereafter.

Recommendations of the study based on our findings are as stated below;

Accounting Professional Bodies and Federal Government should come together to regulate environmental accounting and make it uniform in both preparation and presentation for easy understanding, analysis and uniformity. It should no more be voluntary but statutorily recognized disclosure with specific guidelines. Business owners, accounting professionals and regulators should draw their approved environmental indicators if the global one is not realistic.

Secondly, inclusion of environmental accounting and reporting practices in DMBs' annual reports and accounts should be mandatory and a section of the report should be reserved for EA & FP. Banks are not producing paper statements again and its inclusion cannot be a problem. It will definitely provide improved information and enhanced transparency.

Recommendations on Challenges identified are grouped into three along the problems identifies. Legal framework and policies should be enhanced by all stages government and their agencies; auditors should be mandated to include environmental accounting in their checklist and professional bodies should improve trainings and awareness on

environmental accounting and reporting practices. Individual accountants should seek improved knowledge and trainings on environmental accounting and welcome it to improve their skills while management should encourage promotion in the field of environmental accounting to attract more skills to the field. Management should lead by example and imbibe environmental accounting and spend more on environmental improved activities to improve community and organizational relationship.

6. Contribution to Future Research

The study has shown that despite the global acceptance of environmental accounting and reporting practices in the presentation of annual reports and accounts, Nigeria deposit money banks are yet to align their reporting system along the global requirements of GRI.

In addition, this study has shown that environmental accounting and reporting practices are voluntarily adopted by corporate bodies in Nigeria. There is an urgent need for regulations to make it mandatory for international acceptance

of our corporate reporting.

Appendix

Appendix I. Listed Banks in Nigeria as at 31 December 2019

1. ACCESS
2. ETI
3. FBNH
4. FCMB
5. FIDELITY BANK
6. GUARANTY
7. JAIZBANK
8. STANBIC
9. STERLING BANK
10. UBA
11. UBN
12. UNITY BANK
13. WEMA BANK
14. ZENITH BANK

Appendix II. Index of Environmental Disclosure

Table 1. Index of Environmental Disclosure.

S/No	Index of Environmental Disclosure	Items of Information	Not Disclosed	Disclosed
1	Organizational Overview	1 Broad Environmental Objectives	14	0
		2 Specific Targets	14	0
		3 Management's Environmental Policy Statements	14	0
		4 Environmental Budget System	14	0
		5 Environmental Auditing	14	0
2	Prevention or Repair of Environments	6 Legal Compliance	14	0
		7 Awards Obtained for Environmental Protection	14	0
		8 Reusing Disposable Material	14	0
		9 Waste Management	14	0
3	Corporate Social Responsibility	10 Corporate Social Responsibilities	0	14
4	Environmental Impact Assessment	11 Environmental Impact Assessment	14	0
5	Aesthetics Improvement	12 Tree Plantation	10	4
6	Pollution Control Measures	13 Statutorily Required (Yes) / Voluntarily (No)	14	0
7	Conservation of Natural Resources	14 Statutorily Required (Yes) / Voluntarily (No)	14	0
		15 Environmental Costs	14	0
8	Environmental Accounting	16 Environmental Liabilities and Assets	14	0
		17 Significant Accounting and Reporting Practices	14	0
		18 Extraordinary Items	14	0
		19 Environmental Management	14	0
9	Project Planning Management	20 Environmental Risk Management	4	10
		21 Accident and Emergency Response	14	0
		22 Impact of Organizational Activities on Environment	6	8
10	Social Costs	23 Significant Environmental Risks Not Required to be Disclosed Legally	14	0

Source: Adapted from Alawode & Adegbe 2020

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