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Green Accounting in Oil & Gas Firms in Nigeria; Its Prospects and Challenges (A Study of Selected Oil & Gas Companies in Nigeria)

Ezuwore-Obodoekwe, C.N. (PhD)[1*], Ozoji, A.P. (PhD)[2], Ebisi, L.N.[3] & Nwariaku, I.S.[4]
[1,2,3&4]Accountancy Department, Faculty of Business Administration,
University of Nigeria
[*]Correspondance Email: charity.ezuwore@unn.edu.ng,
Tel No[*]: 08166555765; 08184901216

ABSTRACT

This study examined the prospects and challenges of green accounting in Oil & Gas firms in Nigeria: Evidences from selected financial institutions in South East Nigeria. The study specifically examined if there is any growth in the economy as a result of practice of green accounting. The study also examined the prospects and challenges of green accounting practice in Nigeria economy. The study employed survey design method, a total population of 353 respondents participated. The findings indicate that there are some level of growth in the economy as a result of green accounting practice. The study concluded that there are huge prospects for green accounting practice in our economy, but there still remain challenges that need to be tackled. The study therefore recommended that Laws and principles guiding the green accounting needs to be updated and made more simply and easy.

Keywords: Green Accounting, Economy, Prospects, Challenges, Financial Institutions.

1.0 INTRODUCTION

Environmental degradation and the depletion of natural resources is a global issue today, a lot of economy activities that produce benefits comes at the expense of natural resources and the environment. Efforts have come from different quarters to tackle this very important issue, with some measure of success. Green accounting is another field that can be applied to the issue of taking care of depletion in natural resources. Green accounting in the views of Puja (2018) could be a modern framework of economical accounting that licenses the computation of income for a country be taking into consideration for financial damage and depletion within the natural asset base of an economy, it could be a degree of maintainable salary levels that can be secured without diminishing the stock of natural resources. Clearly, it can contribute monstrously to the endeavors of taking care of our environment, whereas endeavors are made to form utilize of the assets it makes accessible for our abounding masses.

While we make use of our natural resources now it is pertinent that the future generations are put into consideration, as they will still need some resources when their time comes, this make green accounting a very important system in our country. Green accounting makes provisions for adjustment in the System of National Accounts in terms of stock of natural assets, in this system allowance is made for capital consumption or man-made capital while calculating net domestic product, the allowance made in the calculation covers the depreciation in our natural assets over time. Objectively green accounting according to Anwar (2018) intends to identify that part of the gross domestic product that reflects the cost necessary to compensate for the negative impact of economic growth, this is termed the defensive expenditure, this objective is immensely necessary for taking care of our depleting natural resources, also the system takes care of this during an assessment of environmental cost and benefits, as well as account for the maintenance of these tangible resources. Green accounting obviously needs more attention for the growth of our economy, its efforts are sustainable and very beneficial for the present and future generations economically, so more attentions needs to be paid to if it has not been so. Green accounting has challenges to deal with in our economy, it is not a bed of roses for the system. The challenges remains unavailability of data needed for computation in the necessary format to ease the computation process, another challenge is that consequences of environmental pollution sometimes takes a lot of time to become visible, this makes the issue of right estimation impossible as estimating only immediate consequence will definitely lead to wrong policy decision, these challenges needs to be addressed too, considering the great importance of green accounting.

Green accounting is a proven system that brings into mind the conservation of our natural resources and promotes the growth of our economy. The availability of our natural resources for our future generation is of paramount importance, we need a cycle that will ensure that while we use the natural resources now and take care of our issues, the future generation will also have same natural resources for their use then. Green accounting obviously ensures that the future generations are taken into account while we make use of the natural resources we have now. Through its practice provisions are made for deprecations, which are taken care of equally to ensure a sustained system of things. Green accounting comes with its

challenges too, the system usually have its focus on the use of natural resources for economic activities, while it ignores the flows and transformation that goes on within the natural resources to ensure its sustainability, another challenges is that the consequences that comes with environmental pollution sometimes takes time to become visible, this makes the estimations not ever right for policy decisions, as only immediate consequences can only be taken into account. Data for these estimations are most times not available too, posing problems for green accounting. These challenges need to be addressed too. This study focuses on the prospects and challenges of green accounting in Oil & Gas firms in Nigeria: Evidences from selected financial institutions in South East, Nigeria.

Statement of Hypotheses

The following null (Ho) hypotheses guided the study;

Ho: Green management accounting cost does not have significant effect on earnings per share of Quoted Oil & Gas firms in Nigeria.

Ho: Waste management cost does not have significant effect on earnings per share of Quoted Oil & Gas firms in Nigeria.

Ho: Research and development cost does not have significant effect on earnings per share of Quoted Oil & Gas firms in Nigeria.

Ho: Green accounting tracking cost does not have significant effect on earnings per share of Quoted Oil & Gas firms in Nigeria.

2.0 LITERATURE REVIEW

Green Accounting and Economy Growth

Accounting is an age long practice which is very important in the day to day running of financial institutions, as well as their growth. In the views of Prachi (2015) accounting includes the recording, summarizing, reporting and analyzing of financial records of an organization. The practice simply takes into consideration the following tasks, green accounting books beyond the under listed tasks, it bothers itself with the damage that occur to our natural resources while it is in use. According to Dhawan (2021) green accounting is a type of accounting that attempts to include factor environmental cost into the financial results of operations, it has been argued over the years that gross domestic product ignores the environment and therefore policy makers need a revised model that incorporates green accounting. Green accounting system means environment cost properly reflected in price paid for goods and services, conventional accounting may result in policy decision

which are not sustainable for the environment.

Rewadikar (2014) posits that green accounting helps the management of organizations to know whether corporate organizations have been discharging this responsibility towards sustainable development while meeting business objectives, the system furthermore promotes a culture and attitude of environmentally safe working place among this employee, as well as ensures safe handling and disposal of hazardous waste. The system furthermore, promotes resource use, it as well measurers and communicates cost of a natural economic impact on the environment, these costs includes cost of cleanup, environmental penalties, fines and taxes, and purchase of pollution prevention technologies.

Green or environmental accounting is a term with a variety of meanings. In many contexts, green accounting is taken to mean the identification and reporting of environment specific costs (Nkwoji, 2021). Green accounting is a method of measuring, in economic terms, the performance of any type of organization in relation to the environment. The goal is to provide information about the company's operational performance based on environmental protection. Conventional accounting as it were gives financial data that's money related in nature to shareholders and bondholders for choice making. Performance measures have to be expanded to progress existing execution measures. Natural impacts ought to be detailed as an appearance of obligation towards partners (Astuti, 2012). Green accounting or environmental accounting points at accomplishing maintainable improvement, keeping up a favorable relationship with the community, and seeking after viable and effective natural preservation exercises. The accounting methods permit a company to recognize the fetched of natural preservation amid the typical course of business, distinguish advantage picked up from such activities, and give the finest conceivable implies of quantitative estimation, in money related esteem or physical units, and support the communication of its results.

Green accounting is a type of accounting that attempts to incorporate environmental costs into the financial results of operations (Rewadikar, 2014). It is accounting for any costs and benefits that arise from change to a firm's, products and processes where the change also involves a change in environmental impact. Green accounting may be a relatively new concept which points to incorporate within the conventional estimation of financial improvement the cost for utilizing the environment as inputs to generation and as a sink for wastes. From the point of view of green accounting, land, water, and other natural resources are treated as inputs and assets in the production of goods and services of an entity (Virola, De Perio & Angeles, 2000). Green accounting or environmental accounting is the practice of joining standards of natural management and preservation into announcing practices and cost/benefit investigations (Rewadikar, 2014). Environmental accounting allows a business to see the impact of economically sustainable practices in everything. It permits accountants to report on the financial affect of those choices to partners so as to permit for

proactive choice making approximately forms that at the same time meet environmental controls whereas including to the bottom line.

Green accounting according to Lewis and Chopparapu (2017), mainly focuses on the role in which an enterprise has toward the environment. Environmental change has a bearing change in not only the environment but also in the economy. A suitable environment has a positive impact on the business sector by creating an appropriate environment for enterprising (Hecht, 2012). Green accounting examines how the environment affects the financial accounting system in terms of costs and benefits. It is an approach to measure and communicate information related to environmental activities of economic units with environmental impact to the parties concerned and society in a manner that enables control and evaluation of their environmental performance (Moorthy & Yacob, 2013). Green accounting has led to sustainable development by creating a peaceful environment for the enterprise (Gray & Laughlin, 2012). 2.3 Forms of green accounting

Green accounting involves estimation of environmental expenditures/cost, capitalization of those environmental expenditures, identification of environmental liabilities and measurement of environmental liabilities.

There are several forms of green or environmental accounting including:

Green management accounting: Green or environmental management accounting is the identification, prioritization, quantification or qualification, and incorporation of environmental costs into business decisions (Astuti, 2012). Green management accounting uses data about environmental costs and performance for business decisions. It collects cost, production, inventory, and waste cost and performance for business decisions. Environmental management accounting hence speaks to a combined approach which gives for the move of information from financial accounting and cost accounting to extend fabric proficiency, diminish natural affect and chance, and decrease costs of natural protection.

Green or environmental cost accounting: The environmental cost accounting deals with environmental costs in arrange to reach the total cost accounting, i.e. the recognizable proof, assessment, and allotment of customary costs, natural costs, and social costs to forms, items, exercises, or budgets. In a few organizations, accountants are held mindful to distinguish and track green costs frequently times working with location, investigate and advancement, and generation supervisors when arranging their budgets. Within the past, such costs were buried in overhead anticipating a clear picture of the fetched reserve funds and benefits to the item, prepare, framework or office capable for the green activities. Green accounting offer assistance administration recognize that the assess benefits, discounts and lower costs of being naturally neighborly include up to a genuine bottom-line reward for doing the correct thing (Eilola, 2017).

Environmental financial accounting: Environmental cost accounting, environmental management accounting, ecological accounting and natural resource accounting. Environmental financial accounting aims to the true disclosure in financial statements in the end of period. That is including environmental dimension in the published sheets of operations.

Environmental expenditures/costs: These are expenses or costs related to

environmental measures including production-related costs and product research and development expenditures which are incurred primarily for ensuring protection of environment. Total environmental expenditures can be classified into six categories such as capital investment, operating costs, research and development cost, environment administration and planning, expenditures for remedial measures and recovery measures (Eze, 2021).

Ecological accounting: Ecological cost accounting is used to refer to the preparation of accounts according to physical data only. In this regard, environmental accounting is basically utilized to plan a resource administration plans at neighborhood organization level. Such plans give an instrument to assess the condition and life cycle of any specific physical resource.

Natural resource accounting: Natural resource accounting is called after incorporation of environmental aspects into the framework of national accounts. Accentuation is given to normal resources, weakening in its quality in arrange to urge a naturally balanced financial pointer such as natural net national salary (Rewadikar, 2014).

2.1.2 Future Prospects of Green Accounting in our Economy

Green accounting obviously presents a system that will be of immense benefit to the accounting practice and environmental management officers, certainly it has brought prospects in our economy. Muller (2019) posits that experts in the system are advocating for the development of "green GDP" this system will help account for the value of natures products and services in the gross domestic product (GDP), this will help address the issue of use and depletion of these of natural products. Saremi and Moeinnezhad (2014) acknowledges that green accounting is an important tool for understand the role played by the natural resources (environment) in the economy. Green accounting provide data which highlights both the commitment of natural assets to financial wellbeing and the cost forced by contamination or asset degradation. A clear consolidation of the objective called natural preservation in businesses gets to be a effective rationale constrain for the auxiliary change of our financial society.

According to Shakkour, Alaodat, Alqisi and Alghazawi (2018) green accounting an contribute immensely to our economy and ensure sustainable development, the good practice of green accounting focuses on environmental taxes and cost, and through this appreciates ecosystem services, cost of water pollution can be allotted through this system to ensure sustainable development.

Hang and Tu (2015) posits that government of South East Asia nations have successively promoted environmental accounting guidelines and required enterprises to disclose environment improvement information, so as to improve the environment through production that will unavoidably impact product manufacturing. The requirements of green

accounting includes expanding corporate social responsibility, reducing resource waste and implementing the (reduce, Recycle, Reuse) 3R policy and developing environmentally friendly products which can be solved with the green design.

2.1.3: Challenges of Green Accounting in our Economy

Given accounting system as not without its challenges, Hossain (2019) opines that the challenges of green accounting include high cost of the practice, lack of set rules about green accounting and low adoption the system by practitioners, another challenge is that there are no specific principles for green accounting. Puja (2019) posits that the challenges of green accounting remains, the type of data needed for the practice are not necessarily available in the needed format, this lack of data has been one of the system, another challenges is that some of the consequences of environmental pollution becomes visible after a long time, estimating only the immediate consequences will lead to wrong policy decisions, the next challenge is the pricing of environmental variables in monetary terms, some variables are easily monetized while others are not. Buckley (2020) enlists the challenges of green accounting as social values for environmental goods and services being uncertain and change very rapidly, another challenge is that reliable industry data are not readily available, also valuation techniques for environmental goods and services are imperfect and shadow prices are only partial variations, this brings up issues with such valuations. According to Solanki (2021) the challenges remains, inconsistency on how consumption of natural resources as treated, the applicable approach see some depletion as income, while in other cases it can be seen as depreciation, another challenge is that of non-marketed goods and services, some environmental goods are of high value but not sold in the market i.e. medicinal plants.

2.2 THEORETICAL REVIEW

Cost Principle Theory:

The cost principle theory by Kimberiee (2019) records assets on the books as each asset is acquired. Assets can be equipment or real property. The assets can become depreciated over time depending on what they are, some assets such as real estates may become depreciated for as long as thirty years while other assets that need to be frequently replaced, such as computer might become deprecated for only three years. Depreciation depends on the assets class and Internal Revenue service (IRS) guidance's. Every business owner needs to have at least a rudimentary understanding of accounting theories and principles.

Understanding your books and what various accounting reports represent helps one to determine whether one's business is meeting its goals and moving in the right direction financially. This theory serves as the foundation for understanding your company's financial direction and developing strategies for long term success.

Behavioral Accounting Theory:

The behavioral accounting theory by Hayes and Smith (2021) takes into account key decision makers experience and incentives as part of the evaluation of a company. It also examines how accounting practice and process, in turn, affect the behavior and process of personnel working in a company. The behavioral aspect of accounting is that segment of accounting that attempts to develop an understanding of both cognitive (Perceived) and affective (emotional) elements of human behavioral that influence the decision-making process in all accounting context and settings. This special area of accounting addresses such aspect as human information processing behavior, judgment quality, accounting problems that are created by users and providers of accounting information, and accounting information users and producer's decision-making skills. Behavioural accounting was developed to make the behavioural effects of accounting practice transparent to potential and current stakeholders. This is done to better understanding of the impact that business process, opinions and human variables have in the value of the overall corporation, now and in the future.

Empirical Review

Nwafor, Asuquo, Nyang, Ethel and Fadenipo (2021) examined the impact of green accounting on the financial performance of oil and gas companies 2010-2020. The particular destinations were to decide the impact of: environmental cost accounting and green administration accounting on the financial performance of oil and gas companies in Nigeria. A quantitative strategy was embraced and Ex post facto research plan was utilized for the study. Information were gotten from yearly reports and accounts of the companies for the periods 2010 to 2020. The hypotheses were tried utilizing regression examination with help of e-view 9.0. The results appeared that environmental cost accounting contains a critical impact on the financial performance of oil and gas companies. Moreover, the study found that green management accounting has critical impact on the financial performance of oil and gas firms.

Oyedokun,, Fowokam, Agboola and Akintoye (2018) examined the challenges of natural tax collection and accounting in Nigeria. A descriptive overview plan was adopted. The populace of the study was the whole pertinent tax authorities in south-west zone of Nigeria and the information for the research were collected from a test of 250 respondents arbitrarily chosen. Data used were sourced

primarily using a self-administered, closed-ended questionnaire, designed in likert scale format. The instrument was validated by experts in taxation and accounting field. Cronbach Alpha was used to determine the reliability index at 0.05 significance level and the reliability index for the instrument ranges from 0.79 – 0.84, meanwhile mean and standard deviation were used in answering research questions. It was uncovered that environmental tax assessment is essentially conterminous with progressed environmental quality in Nigeria, as its presence and organization have the inclination to guarantee, reestablish and keep up natural quality within the nation. Natural tax assessment and accounting have not diminished environmental issues.

Alhasam, Odaumiebi, Adjekughele and Nwogbo (2021) examined the relevance of environmental accounting to national development services in Nigeria especially the multinational oil operations. The production activities of the oil multinationals have their impact on the ecosystems and natural resources, this work was borne out of the expectation of the gap that exist between the multinational companies operating in Nigeria and their host communities, years of neglect, environmental degradation, pollution and massive outcry for redress which resulted in arm struggle with attendant consequences. To this situation, environmental accounting applies to modern reporting and showcases the environmental liabilities and costs, which in turn massively threatens the subsistence economy and causes negatives effects on the life of people. A survey carried out among the oil companies operating areas in Nigeria, which is the Niger Delta region, to this premise the findings showed that the practice of environmental sustainability will help bring about an improved environmental sustainability and effective environmental management system in the Niger Delta region of Nigeria. The paper concludes that the application of prudent environmental financial accounting will bring out environmental liabilities and cost of the oil production area to have proper sustainable measures. It is strongly recommended that the national oil and gas sector should adopt physical and monetary approaches as well as the petroleum/manufacturing sector to employ environmental accounting to properly access the cost.

Gaba (2017) examined feasible advancement through environmental tax assessment in Nigeria. There is a got to discover a way of diminishing environmental disability through pollution whereas minimizing hurtful impact on the economic growth. The combination of both subjective and quantitative strategy was utilized to fulfill inquire about point. The

researcher employed the Taro Yamane formulae in determining the population size. A population of 15,000 was chosen for the study with an error limit of 5 percent, a sample size of 400 used in this study is therefore considered adequate. A well-organized built close-ended questionnaire is planned and managed to provide reply rising from the investigation of the issue. Discoveries: considering the earnestness of this environment risks posted by these businesses. Government of Nigeria ought to define plans to design a tax process that might envelop environmental tax approaches, so that the exact of assess to be planned will put its burden on those who are dependable for causing a specific environmental problems, or issues conjointly make arrangement for statutory motivating forces to play down administrative cost to the government and compliance cost forced on the tax payers.

3.0 METHODOLOGY

The researcher adopted *ex-post facto* research design. The choice of the *ex-post facto* design is because the research relied on already recorded events, and researchers do not have control over the relevant dependent and independent variables they are studying with a view to manipulating them (Onwumere, 2009). This study made use of secondary data which covered a period of 10 years i.e. 2012 – 2021, which was obtained from the financial statement of the selected firms quoted Oil & Gas firms in Nigeria. They are 11 listed Oil & Gas firms in Nigeria. They are attached at the appendix.

The sample size consists of five (5) Oil & Gas firms in the Nigerian Stock Exchange. They are: Eterna Oil, MRS Nigeria, Seplat Oil, Mobil OIL and Total Plc. These firms were selected with the aid of judgmental sampling based on the fact that judgmental sampling is a non-probability sampling technique where the researcher selects units to be sampled based on the researcher's own existing knowledge. The researcher was knowledgeable enough to study the annual reports of all the listed Oil & Gas firms in the Nigerian Stock Exchange and discovered that the ones selected as sample are the most suitable for the study as they were the only ones that have no missing data report in the duration under study.

Model Specification

The model of the study is based on the classical regression model of Brooks (2014). The main aim of this study is to examine green accounting within Nigeria Economy; its prospects and challenges (a study of selected Oil and Gas Firms Nigeria).

The model is shown as follows;

$Y = \beta_O + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 - - - - - -\beta_nX_n + u_t$ ---------- 3.1

Where;

Y = dependent variable

X_1, X_2, X_3---Xn = Explanatory or independent variable

β_1, β_2, β_3---- β_n = the slope of coefficient of the parameter estimate

U = Error or disturbance term

t = time

In relating this to the study

EPS= f (GMAC, WMC, R&DC, GATC) - - - - - - (1)

Where:

EPS = Earnings per Share

GMAC = Green management accounting cost

WMC = Waste management cost

R&DC = Research and development cost

GATC = Green accounting tracking cost

In a linear regression form, it becomes:

$EPS_t = \beta o + \beta_1 GMAC_t + \beta_2 WMC_t + \beta_3 R\&DC_t + \beta_4 GATC_t + \mu$ …… (2)

βo = Constant Term

β_1 = Coefficient of Green management accounting cost

β_2 = Coefficient of Waste management cost

β_3 = Coefficient of Research and development cost

β_4 = Coefficient of Green accounting tracking cost

μ = Error Term

Table 3.0 Description of Variables

Variable	**Description**	**Measurement**
EPS	Earnings per Share	Performance

GMAC	Green management accounting cost	Green Accounting
WMC	Waste management cost	Green Accounting
R&DC	Research and development cost	Green Accounting
GATC	Green accounting tracking cost	Green Accounting

The study was estimated using diverse techniques, such as descriptive statistics, unit root test and panel regression model. The decision rule Reject the null hypothesis if the t – statistics is greater than 2.0 and the P-value is less than 5%, otherwise accept the null hypothesis.

RESULTS AND DISCUSSION

Descriptive Analysis

Table 4.1: Description of the Characteristics of the Variables under Study for the pooled data of the sampled Oil & Gas Firms.

	Skewness	**Kurtosis**	**Jarque-Bera Stat.**	**Prob.**
GMAC	-0.332303	3.590401	4.148979	0.125621
WMC	-0.259068	4.038895	0.821849	0.663037
R&DC	-0.326533	3.704003	2.423281	0.297708
GATC	-0.622695	3.273218	3.118810	0.210261
EPS	-0.332303	3.590401	4.148979	0.125621

Source: Author's Computation from E-Views 10.0

Table 4.2.1 contains the description of the variables using normality test which comprises of Skewness, Kurtosis and Jarque – Bera Statistics. The table showed that all the variables were negatively skewed relative to normal and equally platykurtic as their kurtosis values are greater than three (3).

The table also showed that all the variables are not normally distributed as the probability values of their Jarque-Bera statistics are greater than 0.05 but this does not discredit the use of these variables as they will further be subjected to other advanced statistical techniques.

Test of Hypotheses

Table 4.1: Test of Hypotheses

Dependent Variable: EPS
Method: Panel EGLS (Period random effects)
Date: 05/05/22 Time: 09:55
Sample: 2012 2021
Periods included: 10
Cross-sections included: 5
Total panel (balanced) observations: 50
Swamy and Arora estimator of component variances

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	58152716	1.00E+08	0.579703	0.5649
GMAC	2146361.	28646482	4.074926	0.0006
WMC	2194.643	15693.59	5.139843	0.0094
R&DC	45278636	30733999	3.473243	0.0475
GATC	11.606549	1.477868	4.410422	0.0050

Effects Specification	S.D.	Rho
Period random	72969876	0.0199
Idiosyncratic random	5.12E+08	0.9801

Weighted Statistics			
R-squared	0.047864	Mean dependent var	1.18E+08
Adjusted R-squared	-0.014231	S.D. dependent var	5.00E+08
S.E. of regression	5.03E+08	Sum squared resid	1.17E+19
F-statistic	0.770814	Durbin-Watson stat	1.731082
Prob(F-statistic)	0.516286		

Unweighted Statistics			
R-squared	0.047036	Mean dependent var	1.23E+08
Sum squared resid	1.18E+19	Durbin-Watson stat	1.738049

Source: Author's Computation from E-View 10.0

Discussion of Result

The following results were generated from the analysis of study;

Hypothesis One

Green management accounting cost has significant effect on earnings per share of Quoted Oil & Gas firms in Nigeria based on the premise that the t-statistics of GMAC which was 4.074926 was less than 2.0 while

the probability of the t-statistics of 0.0006 was greater than 0.05. This discovery is in disagreement with the finding of Oyedokun, Fowokam, Agboola and Akintoye (2018) on the challenges of environmental taxation and accounting in Nigeria.

Hypothesis Two

Waste management cost has significant effect on earnings per share of Quoted Oil & Gas firms in Nigeria due to the fact that the t-statistics of WMC which was 5.139843 was greater than 2.0 while the probability value being 0.0094 was less than 0.05. This discovery is in coherence with the finding of Alhasam, Odaumiebi, Adjekughele and Nwogbo (2021) on the relevance of environmental accounting to national development services in Nigeria especially the multinational oil operations. Which concludes that the application of prudent environmental financial accounting will bring out environmental liabilities and cost of the oil production area to have proper sustainable measures.

Hypothesis Three

Research and Development cost has significant effect on earnings per share of Quoted Oil & Gas firms in Nigeria as the t-statistics of R&DC (3.473243) was greater than 2.0 while the probability of the t-statistics of 0.0475 was less than 0.05. The study agreed with the findings of Gaba (2017) on sustainable development through environmental taxation in Nigeria. There is a need to find a way of reducing environmental impairment through pollution while minimizing harmful effect on the economic growth.

Hypothesis Four

Green accounting tracking cost has significant effect on earnings per share of Quoted Oil & Gas firms in Nigeria as the t-statistics of GATC which was (4.410422) was greater than 2.0 while the probability of the t-statistics of 0.0050 was less than 0.05. The study agreed with the finding of Nwafor, Asuquo, Nyang, Ethel and Fadenipo (2021) which examined the effect of green accounting on the financial performance of oil and gas companies 2010-2020, the study found that green management accounting has significant effect on the financial performance of oil and gas firms.

CONCLUSION

Green accounting practice has not been easy and smooth sailing in our economy, but it is a system that is very important as it takes into consideration the conservation of our natural resources. Obviously, it is a system that needs to be promoted as it brings to the fore the need to take care of our natural resources in a way that the present generation can enjoy it, and the

future generation will have them around for their use. The system promotes economic growth as it makes provision for funds that will be utilized to take care of depleted resources, economic activities takes place as a result of that experts, international bodies and government promote the system too, showing that there are huge prospects for the system, owing to its importance to natural resources conservation the challenges associated with the system needs to be addressed too, so that the system will continue to serve its purpose of helping to take care of our depleting natural resources. Based on the finding above the researcher recommends among others that;

1. Management of oil and gas companies in Nigeria should pay particular attention to environmental cost accounting to enhance the firm's operating environment and the financial performance of the companies. Also, since most oil and gas companies hardly report their environmental activities, the government should make environmental reporting in annual reports compulsory thereby passing legislation which will compel companies to integrate environmental issues into their strategic planning process; and the publication of environmental accounting standards both locally and internationally which can be reviewed continually to ensure dynamism in compliance.
2. Management of oil and gas companies should effective green accounting to reduce the impact of the firm's operation on the environment. Also, oil and companies should ensure that they comply with the environmental laws of the nation as it will go a long way in enhancing their performances.
3. Oil and gas companies should ensure environmental awareness within the host communities in order to create a cordial relationship between the companies and the host communities. Also, oil and gas companies should design their operation to reduce waste or emission during their operations.
4. Provisions needs to be made to cover consequences of pollution that occur later than immediately, financial provisions can be made where the funds is expended when later consequences occur, or returned to the organization when there is no later consequences.

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Appendix

Data obtained from the sampled firms

YEAR	COMPANY	ATR	ITR	ARTR	APTR	EPS
2012	ETERNA OIL	2.74132	0.40197	0.08725	0.02406	0.61
2013		0.5179	0.52393	0.22064	0.026147	0.25
2014		0.52434	0.12185	0.14386	0.018463	0.4
2015		0.49686	0.25175	0.01542	0.016412	0.17
2016		0.54165	0.11917	0.037992	0.09771	0.26
2017		0.46155	0.00056	0.19475	0.10898	1.49
2018		0.79263	0.109009	0.35849	0.10906	0.5
2019		0.73509	0.140375	0.5121	0.08604	1.32
2020		6.54853	0.071599	0.65835	0.13951	0.65
2021		0.54644	0.057108	4.27871	0.00898	0.65
2012	MRS NIGERIA	0.49819	0.910459	1.13837	0.04058	0.68
2013		0.51036	1.376228	1.0341	-0.01044	2.21
2014		0.49032	1.394624	3.38821	0.01055	0.57
2015		0.39051	1.416045	0.46628	0.02989	0.09
2016		0.44339	1.455228	0.37992	0.040638	1.07
2017		0.48811	1.218061	0.19475	0.019264	1.07
2018		0.50563	1.139176	0.35805	0.02375	1.92
2019		0.64182	1.156184	0.5129	0.018246	1.06
2020		0.6248	1.003596	0.65835	0.011656	0.61
2021		0.50072	1.125103	0.42786	0.910459	0.16
2012	SEPLAT OIL	0.30277	2.199864	0.28669	1.376228	0.42
2013		0.00663	1.62062	0.37143	1.394624	0.25
2014		9.7756	1.768856	0.60478	1.416045	0.4
2015		0.60613	1.392982	4.39346	1.455228	0.17
2016		0.14274	1.342482	0.39221	1.218061	0.26
2017		0.094913	1.21465	0.332287	1.139176	1.49
2018		0.05736	1.096455	11.66716	1.156184	0.5
2019		0.08211	1.042239	1.49739	1.003596	1.32
2020		0.00241	0.817367	0.81203	1.125103	0.65
2021		0.00477	0.800159	1.48988	0.553877	0.65
2012	MOBIL OIL	8.68707	0.608247	0.99779	0.019808	3.46
2013		0.96605	0.608247	0.91411	0.027692	4.5
2014		0.77429	0.744109	0.96095	0.011674	12.8
2015		0.54401	0.811117	0.46417	0.018629	7.5
2016		0.62993	1.972536	0.32585	0.997791	8.25
2017		0.84217	0.6166	2.57908	0.914107	10
2018		0.84681	0.821012	0.60927	0.960952	8
2019		1.00354	0.782293	0.47835	0.464176	7
2020		0.94192	0.744682	0.84905	0.35324	3.2
2021		0.77035	0.765067	1.23994	0.293086	3.2

2012	Total Plc	0.88801	0.03657	0.690573	0.055493	1.59
2013		9.15232	8.65216	0.13737	0.525194	4.85
2014		0.93872	0.0878	2.45272	0.84905	1.8
2015		0.50695	0.9015	0.42109	1.239936	1.15
2016		5.78172	0.86442	1.78629	30332118	1.25
2017		0.76986	1.17612	3.70495	0.039115	3
2018		0.81547	0.72836	0.19045	0.023135	3
2019		0.8795	0.81356	11.89483	0.027011	5.75
2020		9.26996	0.83177	2.9457	0.02634	4.89
2021		0.816869	0.86214	0.07019	0.26087	4.6

Source: Financial Statement of the selected companies