



Technium.

40/2023

2023
A new decade for social changes

Technium
Social Sciences

Powered by

PLUS
COMMUNICATION



Green Accounting Based Tabligh at Sugar Factory in Indonesia

**Hadriana Hanafie¹, Emy Utari², Andi Yustika Manrimawagau Bayan³,
Muhammad Wahyuddin Abdullah⁴.**

STIE Wira Bhakti Makassar, Indonesia¹, Business Practitioners Makassar, Indonesia²,
Universitas Hasanuddin Makassar, Indonesia³, Universitas Islam Negeri Alauddin
Makassar, Indonesia⁴

hadriana.hanafi@wirabhaktimakassar.ac.id¹, emyutari19@gmail.com²,
andiyustika28@gmail.com³, wahyuddin.abdullah@uin-alauddin.ac.id⁴

Abstract. The purpose of this research is to determine the reporting of environmental costs as green accounting based tabligh that applied to sugar factories. This research is a qualitative research using an interpretive phenomenological approach. The source of data in this study is primary data obtained from informants and secondary data using other literature. This research was conducted at PT Perkebunan Nusantara XIV is a sugar factory located in Pa'rappunganta Village, North Podbangkeng district, Takalar Regency, Indonesia. The data analysis techniques used in this study are data reduction, data presentation and drawing conclusions/verification. The results of this study show that PTPN XIV Takalar Sugar Factory has incurred environmental costs. However, these costs have not been grouped by category, but are only grouped in one cost post on the annual financial statement, namely waste prevention costs. This sugar factory has not fully met the cost elements of environmental cost reporting and sustainable reporting.

Keywords. Green accounting, Tabligh, Environmental Costs, Single Cost.

1. Introduction

Industry players around the world are faced with increasingly fierce competition. Business people will get great opportunities for business development but it will be a tough challenge as well, it is undeniable to cause problems on the environment, where industrial behavior often ignores the impacts caused to the environment, such as the emergence of water, soil, air pollution and social inequalities in the environment [1]. This event raises awareness, giving rise to various efforts from various fields to overcome and find solutions to this environmental problem. One of them is from the accounting side so that green accounting arises [2]. The existence of the company is inseparable from the interests of various parties. One of them is environmental support. In an effort to preserve the environment, accounting science plays a role through voluntary disclosure in its financial statements related to environmental costs. The accounting system in which there are accounts related to environmental costs is referred to as green accounting or environmental accounting.

Green accounting is accounting that identifies, measures, assesses and discloses costs associated with a company related to the environment [3]. The application of green accounting becomes a medium of accountability and the basis of decisions for stakeholders in the company to determine the environmental costs contained in the report presented so that it is easy to identify and has been implemented, where environmental costs have been grouped [4]. Meanwhile, [5] says that companies have incurred environmental costs, but environmental costs have not been grouped by category. As a result environmental costs are hidden. The cause of the existence of companies that group environmental costs with those that do not group environmental costs all depends on knowledge of costs known by company managers [6].

Accounting is obliged to identify all environmental costs in detail, as they will have an impact on the performance of environmental reports. The costs contained in environmental cost accounting are maintenance costs, prevention costs, purchasing costs, management costs, and environmental cost savings. [7] said that connection with the impact caused by the company, it is necessary to apply environmental cost accounting to identify, recognize, measure, present, and disclose the company's environmental costs by existing regulations. In accounting, environmental costs are divided into two, namely direct environmental costs and indirect environmental costs [8]. Some of the obstacles that make companies unable to implement green accounting as a whole are often because environmental cost awareness emphasizes that environmental costs are the responsibility of the business [5]. Companies often ignore environmental costs because they consider the costs that occur to support operational activities, not related to direct production [9]. [6] revealed that in Indonesia IAI has compiled environmental accounting disclosure standards in Statement of Financial Accounting Standards (PSAK) No. 32 and 33. These two PSAK regulate the obligations of companies from the mining sector and Forest Concession Rights Owners to report their environmental items in the financial statements. Over time the Indonesian government through the Ministry of Environment has a special program that motivates companies to comply with environmental regulations in achieving environmental excellence. The program is called the company's performance rating assessment program in environmental management (PROPER). The environmental performance rating in PROPER is divided into five, namely the best Gold, Green, Blue, Red, to the worst Black [10]; [11]; [12].

In reality, even though there are regulations in place, there are still many companies that have a dark eye on the importance of reporting environmental costs. It takes the concept of Islam to solve the problem. Moreover, Indonesia is the country with the most adherents of the Islamic religion. One of the concepts that can be applied is *tabligh*. *Tabligh* is one of the obligatory qualities of the Prophet which means to convey everything that comes from Allah. This usually concerns the teachings of truth that have been conveyed by Allah to His apostles. The truth of God is commonly referred to as absolute truth [13]. Meanwhile, *tabligh* according to [14] is communicative, transparent and marketable. It is a soft skill that should be possessed by every human being, because every religious personality carries the responsibility of delivery. If the nature of *tabligh* is internalized into environmental cost reporting, then all companies will convey environmental costs in a communicative, transparent and accountable manner. The implementation of green accounting internalized with a *tabligh* nature is expected to achieve the company's going concern. The reason why the researcher chose the research location at PT Perkebunan Nusantara, Takalar Regency is because it is in accordance with the object of research to be studied, namely environmental costs.

Sugar Factory is located in Pa'rappunganta Village, North Podbangkeng District, Takalar which was established on March 11, 1996 based on government regulation Number 19 of 1996 PT Perkebunan Nusantara. Takalar Sugar Factory produces sugarcane into sugar. In the production process, it produces waste in the form of solid waste such as bagasse and liquid waste. Bagasse that has been used is reprocessed into plant fertilizer. PT Perkebunan Nusantara records environmental costs in the income statement with the waste installation cost account. The success of a company in managing its waste can be seen from how much budget the company itself spends to manage waste and the lack of environmental pollution that occurs so that it does not disturb the community around the factory. The benefits obtained by companies that implement green accounting.

2. Theoretical Review

2.1 Tabligh Concept

Tabligh is one of the mandatory qualities of the Prophet which comes from Arabic meaning to convey, that is, convey the religious teachings of Islam based on the Qur'an and Hadith as a guide for Muslims. The nature of the tabligh is contained in surah Al-Jinn verse 28:

"So that He may know, that the apostles have delivered the tracts of their Lord, and His knowledge covers what is in them, and He counts the gallas of things one by one."

Quraish Shihab's interpretation of Al-Misbah on surah above says that in order for Allah to know in accordance with His decree that the prophets have delivered all of God's treatises. Truly He is omniscient in all that is in the apostles in detail. He is also omniscient in all beings, and none of them escape His knowledge. This concerns the doctrine of truth that has been conveyed by Allah to His apostle. The truth of God is commonly referred to as absolute truth [13]. Meanwhile, tabligh according to [14] is communicative, transparent and marketable. It is a soft skill that should be possessed by every human being, because every religious personality carries the responsibility of delivery.

Tabligh stressed that the treatises and commandments of Allah Almighty will be directly delivered to his people, all the commandments from Allah have nothing to hide even if they pertain to the things that satirize the Prophet. [15]. Tabligh leaders dare to convey and uphold the truth. Currently, in the midst of a company dominated by materialistic and hedonistic attitudes, stakeholders sometimes only focus on pursuing material and worldly satisfaction. What stands out from the attitude of stakeholders is greed and possession. To meet that material and worldly satisfaction, stakeholders tend to compete unfairly by ignoring existing moral values. Conscience as a place where truth dwells is no longer distorted. The good and bad of his actions are sometimes not considered anymore and only make a profit. It is at times like this that leaders who have a tabligh nature will still speak and voice the truth. Tabligh leaders are also brave in exposing public disaffection despite the severe risks [13]. If the nature of the tabligh is internalized into the reporting of environmental costs, then all companies will convey environmental costs with transparency and accountability.

2.2 Legitimacy Theory

The theory of legitimacy was first proposed by [16] which revealed that legitimacy is a condition in which a company seeks to create harmony between the social values inherent in its activities and the norms of behavior that exist in the social system of society of which the company is part of the system. Due to the importance of legitimacy in a company, eating the

emphasis of social norms and values is needed to encourage the importance of analysis of corporate behavior towards the surrounding environment [17]; [18].

The theory of legitimacy means that organizations or companies must continuously ensure whether they have operated within the norms upheld by society and ensure that their activities are acceptable to outsiders [10]; [19]. Meanwhile, according to [5] said that the theory of legitimacy encourages companies to ensure their activities and performance are accepted by society. This is expected to increase the value of the company which will increase the company's profits. The theory of legitimacy was also expressed by [20] that stakeholders need to give legitimacy to the company and also the company can build its image to its stakeholders. This theory explains that the practice of disclosing corporate social responsibility must be implemented as well as possible so that later the company's activities and performance get a good response from the public [21].

2.3 Green Accounting

Green accounting is accounting that measures, identifies, assesses, and discloses company costs related to the environment [22]; [23]. Green accounting is an accounting framework that involves an approach covering three aspects, namely reporting related to social, environmental and financial [24]. Green accounting or environmental accounting has actually begun to develop since the 1970s in Europe. Due to the pressure of non-government institutions and increasing environmental awareness among the public who urge companies not only to do industrial activities for the sake of business, but also to implement environmental management [10]. Meanwhile, [25] said green accounting describes efforts to combine environmental benefits and costs into economic decision-making. Environmental accounting can be a tool for environmental management and communication to the community for operational activities carried out by the company. Companies or industries that have been responsible for the surrounding environment will gain legitimacy from the community.

2.4 Environmental Cost Report

Environmental cost reports are classified in different types of costs. [5] said that the classification of environmental cost reporting is divided into five items, namely, environmental prevention costs, environmental detection costs, internal failure costs, external failure costs, and environmental research and development costs. [26] explained that the environmental cost structure can be identified into four parts, namely internal failure costs, which are costs related to the company's internal environment such as costs incurred due to environmental pollution from toxins produced by production, costs incurred due to the emergence of waste and others. Furthermore, external failure costs are costs related to the company's external environment such as the loss of market share the adverse impact of pollution on the environment and the community around the company. Apprecial costs are costs related to monitoring activities from the application of these environmental costs. Finally, prevention costs are costs incurred by companies in an effort to prevent further environmental damage.

2.5 Environmental Cost to Realizing Green Accounting

Environmental cost management is a company strategy in realizing green accounting. With the application of green accounting, it becomes a medium of accountability and a basis for decisions for stakeholders in the company to determine the environmental costs contained in the reports presented so that they are easy to identify and have been carried out where

environmental costs have been grouped [4]. Along with the number of companies that emerge, the understanding of the implementation of green accounting in several companies has been good and has been implemented in the financial statements of several companies [27].

Green Accounting is a part of environmental accounting that combines environmental benefits and costs into decision making [28]. Accounting is also obliged to identify all environmental costs in detail, as they can have an impact on environmental performance reports. Environmental performance is one of the important measures of a company's success [29]. The company's accountant is very instrumental in terms of planning to reporting. The calculation of the environmental cost report is carried out by calculating and considering all production activities that have been carried out by the company [30]. Maintenance of productivity, diversity, balance in eco-efficiency of environmental accounting, knowing the type of accounting of the ratio of costs – benefits in terms of risk control, adjustment costs, overhead costs and disclosure records can be effectively identified. It is very useful for sustainable accounting, eco-efficiency here that organizations can maintain producing more useful goods and services while simultaneously reducing negative impacts [31]; [32].

2.6 Green Accounting Based Tabligh Concept

Green Accounting is a science that shows the rill of inputs and business processes and ensures cost efficiency, besides that it can also be used to measure quality and service costs [33]. The main objective is the observance of environmental protection legislation to determine efficiency that reduces environmental impacts and human sustainability and all its contents [8]. Looking at the existing reality, there are still many companies that do not seem to be effective in implementing environmental accounting itself [34]. Whether we realize it or not, most of these companies put aside the risk of environmental damage and prioritize the level of development. In fact, there are already regulations governing the importance of implementing green accounting, namely in constitution No. 40 of 2007 concerning limited liability companies and companies that utilize natural resources are required to incur environmental costs. The existence of this regulation does not make business actors consider that the implementation of green accounting is mandatory disclosure). The company is still reluctant to report its environmental costs. Therefore, it is necessary to instill a concept that is really able to bridge the problem of not implementing green accounting. The concept in question is tabligh.

Tabligh is conveying all the truth that comes from God [13]. In the Qur'an [35], Allah Almighty affirms in surah Al-Maidah: 67, that the command shown to the Messenger of Allah to convey an important message to the Muslims, which is because of the importance of the message, that if the Prophet Muhammad SAW did not convey it then he did not deliver the treatise at all. Meanwhile, tabligh according to [14] is communicative, transparent and marketable which is a soft skill that should be possessed by every human being, because every religious person carries the responsibility of delivery. If the nature of the tabligh is internalized into the reporting of environmental costs, then all companies will convey environmental costs with transparency and accountability according to ethics. Transparency in terms of openness to the environmental cost budget used, openness to activities that are programmed and carried out, and openness to budget realization used in green accounting financing. While talking about accountability, by internalizing the concept of tabligh, companies will be able to properly account for reporting the costs of their environment to God, stakeholders, society, and the environment.

In addition, with this tabligh concept, the company will not consider that environmental costs are a burden and can reduce revenue. The Company will consider that disclosure of environmental costs is no longer just voluntary disclosure but mandatory disclosure. This is based on the sincere heart instilled by the company to disclose the environmental costs that occur in the company.

3. Research Method

This research uses qualitative research, which describes aspects related to the object of research in depth [36]. This type of qualitative research will be suitable for research such as the following, namely: research problems are not yet clear (still vague or may still be dark), to understand the meaning behind visible data, to understand social interactions, to understand the feelings of others, to develop theories, to ensure the correctness of data, and to research the history of development [37]; [38]. The author uses an interpretive phenomenological approach where this approach is to provide insight into how a person is in a particular context, it makes sense that he is given time to describe a particular phenomenon. This phenomenon is related to experiences that have personal (personal) significance, such as events in his life. The research was conducted at PT. Perkebunan Nusantara XIV (PTPN XIV) Takalar Sugar Factory is a sugar factory located in Pa'rappunganta Village, North Poddangkeng district, Takalar Regency, Indonesia. PTPN XIV Takalar Sugar Factory is a company that produces sugar. The company gets raw materials other than the company's plantations also come from community plantations with a profit-sharing system.

The type of data used in this study is primary data obtained through research respondents in the form of interviewed and documentary informants. Secondary data in the form of documents/reports such as books, journals and relevant documents related to green accounting. This study uses three steps in the data analysis process, namely (1) Data reduction; (2) Presentation of data (data display); (3) Conclusion drawing / verification.

4. Result

4.1 Existence and Urgency of Environmental Cost Report

The existence of green accounting is basically to demand full awareness by companies and organizations that have benefited from the environment. Green accounting is applied within the company to identify, recognize, present, and disclose the company's environmental costs. Green accounting describes efforts in combining environmental benefits and costs in economic decision making [25]. Green accounting can be used as a measuring tool in environmental management and communication to the community for production activities carried out by the company and can provide the extent to which the company contributes positively and negatively to the environment. The results of the interview from Mrs. Sevi as Head of Accounting and Finance said that:

"In accounting there is something called green accounting which results as a form of corporate social responsibility report by incurring environmental costs in the realm of the corporate environment"

The results of the interview above show that Sugar Factory recognizes the existence of green accounting in the company. This is in line with [39] which says that green accounting is a cost incurred by companies related to environmental damage and protection carried out. The

application of green accounting can encourage companies to minimize environmental problems faced so as to minimize environmental damage.

In measuring its waste costs, Sugar Factory incurs costs such as; (1) The cost of making a report and waste analysis is IDR 4,990,000,- (2) The operational cost of BLHD Regency is IDR 1,500,000.- (3) The cost of extending the waste deviation permit is IDR 8,000,000,- (4) TSP fertilizer costs of IDR 2,250,000,- and UREA fertilizer of IDR 1,850,000,- and (5) B3 waste management costs of IDR 4,000,000. All these costs are classified into waste management costs in the annual financial statements.

Although the company has taken measurements in the environmental cost report, but in the presentation of the environmental cost report, the company presents by combining all costs and categorizing them into one cost account post, namely environmental prevention costs in the profit and loss position of Sugar Factory. this is in accordance with the statement of Mrs. Sevi as the head of finance said that:

"The company presents all costs used to tackle waste into a profit/loss statement with a waste prevention cost account

From the interview statement above, it was revealed that Sugar Factory in the presentation of the environmental cost report still combines these costs into the annual financial statements. The environmental cost report should be presented separately so that the company can clearly identify what costs are incurred during the operation.

4.2 Environmental Cost Report Model

A good environmental cost report is a report that provides a clear breakdown of costs and is organized based on categories. Judging from the calcification of environmental cost reports, Hansen and Mowen calcified environmental costs into 4 categories, namely:

4.2.1 Environmental Prevention Cost

Environmental Prevention Costs are costs for activities carried out to prevent the production of waste and or garbage that causes environmental damage. Sugar Factory installed an oil catcher so that the liquid waste that will be flowed to the shelter is free from the oil left over from management. This was revealed by Mrs. Tri as the head of the management department who said that:

"The liquid waste produced is always processed first before reaching the environment by filtering oil. If not filtered, this will kill living things on the ground. The costs for maintaining liquid waste such as sludge draining, lighting costs, inola bacteria purchase costs, TSP and UREA purchase costs and facility costs".

Based on the interview above, Sugar Factory in keeping environmental pollution from occurring is very careful because it takes into account things that will happen if liquid waste is not followed up. The factory's concern for the environment can be measured in terms of managing this liquid waste, because if the company does not care, the liquid waste produced will not be processed and even directly disposed of in the environment. A good company is a company that not only attaches importance to profit, but also pays attention to environmental aspects as well and that is reflected in Sugar Factory.

4.2.2 Environmental Detection Cost

Environmental detection costs are the costs of determining whether the company's products, processes, and other activities meet applicable environmental standards or not. The cost of environmental detection can be measured through environmental procedures and standards to measure the company's environmental performance. The assessment of environmental performance is based on environmental policies and environmental targets (ISO 14004, from ISO 14001 by stun, 1998). Quantitative environmental performance can be measured from the environmental management system related to the control of aspects of the physical environment. Meanwhile, qualitative environmental performance can be measured from things related to the size of physical assets, such as procedures, innovation processes, motivation, and morale in realizing organizational environment policies, goals and targets. In addition, green accounting is also regulated in government regulations and laws to assess the company's environmental performance. The results of the interview with Tri's mother as the management department said that:

"Every milling process we spend on waste processing, we also have a PROPER certificate which is directly assessed by the province. We do this so that waste is not polluted."

Looking at the results of the interview above, it indicates that Sugar Factory annually conducts waste inspections and obtains PROPER certificates. This indicates that no waste pollution has been found in the company. According to the company, no local community has ever complained about community complaints about environmental problems by the company.

4.2.3 Environmental Internal Failure Cost

The cost of internal environmental failures is the costs for activities carried out due to the production of waste and garbage, but not disposed of in the external environment. Sugar Factory always recycles its waste by hoarding bagasse back to the ground. This has an impact on soil fertility so that it can be replanted. In addition, the factory also always calls a third party to destroy iron waste. The results of the interview from Tri's mother as the head of the management department said that;

"Bagasse that has been squeezed into sugar is reprocessed by stockpiling it into the ground. Waste bagasse is also commonly reprocessed into fertilizer, while for iron waste we call a third party because the company cannot destroy it directly. For liquid waste itself, use an oil catcher to filter the remaining oil in the used produskai water. After filtering, it is then poured into the liquid waste disposal site that we have provided. Because we do not dispose of liquid waste directly into the waters of residents. This is done to avoid being clogged with local residents. For the transportation process itself, we incur transportation costs. And it also converts the pulp into blutong which can be reused as fuel so as to minimize funds for fuel purchases."

Based on the interview above, it shows that solid waste itself such as bagasse is recycled into fertilizer that can be reused by the company to fertilize sugarcane plants, in addition to bagasse that has been stockpiled when it has decomposed in the soil can make the

soil fertile. The problem of iron waste, the iron is destroyed by a third party. As for the filtered liquid waste, it can be used to irrigate the newly planted sugarcane crop. Thus, Sugar Factory knows very well how to manage waste properly so that it can be reused so that it does not touch the outside environment in its waste disposal.

4.2.4 Environmental External Failure Cost

External environmental failure costs are costs for activities carried out after releasing waste or garbage into the environment. These costs can be subdivided into 2 categories, namely, (1) Realized external failure costs, and (2) Unrealized external failure costs. Companies engaged in industry usually have waste beyond the threshold so that companies are sometimes unable to manage their own waste and eventually the waste reaches residential areas. Therefore, there must be costs incurred by the company. The results of the interview from Mrs. Sevi as the head of Finance and Accounting, that:

"This factory has insurance costs to tackle environmental pollution. The cost of the insurance itself is intended to finance the waste wasted out of the factory environment, and this will be processed by the police."

Environmental pollution that occurs will incur costs for waste handling. These costs were disclosed by Sevi's mother as the finance and accounting department:

"The costs we incur for environmental countermeasures such as the cost of purchasing lime to neutralize liquid waste, purchasing oil capture and filter machines, the cost of lime. For the cost of making the pool, the cost of dampening, the cost of emergency response and the cost of compressors benefit from the prevention of pollution before it is flowed back to the ground."

The explanation from the interview results above shows that the company has made efforts to protect its environment. This can be seen from the waste management process carried out by Sugar Factory which is carefully planned. The factory already considers the attention to environmental sustainability to be mandatory and important. Factories that uphold the culture and ethics of the company must weigh with the system or value system that exists in the community in order to gain legitimacy from the community. Legitimacy means that organizations or companies must continuously ensure whether they have been engaged in norms upheld by society and ensure that their activities can be accepted by outsiders [10] In addition to making a profit in profit, the company can also maintain silaturahmi with the community around the factory. The legitimacy of society is very important. Legitimacy can manifest in a good corporate image.

After discussing the classification of environmental cost reports disclosed by Hansen and Mowen, the author will compare with the environmental cost reports in Sugar Factory and has not classified its environmental costs in detail. Based on the data obtained by the author, pabrik only classifies environmental costs in two 2 aspects, namely the cost of environmental prevention and the cost of environmental detection. The following are the results of the comparison of the classification of the cost of Hansen and Mowen's environmental report with Sugar Factory:

Table 1. Comparison of Classification of Hansen and Mowen Environmental Cost reports with Sugar Factory

Hansen dan Mowen	Sugar Factory
Environmental Prevention Cost	
a. The cost of employee training is related to environmental impact b. The cost of evaluating and purchasing tools to cope with waste c. The cost of the products produced to reduce waste d. Environmental risk audit costs e. Field research costs f. Environment development costs g. The cost of obtaining ISO 14001 certification	1. Cost of liquid waste (purchase of TSP and Urea fertilizers, oil filtration costs) 2. Cost of solid waste (stockpiling and crushing iron)
Environmental detection cost	
a. Environmental activity inspection fees b. Cost of inspection of products and processes in an environmentally friendly form c. Development costs and environmental performance measurement d. Cost of implementing pollution testing e. Cost of proving environmental performance from suppliers f. The cost of measuring the level of pollution	a. Liquid waste installation cost (Waste analysis cost) b. Solid waste installation cost (Waste analysis cost)
Environmental internal failure cost	
a. The cost of operating equipment to reduce and eliminate pollution b. The cost of managing and building toxic wastes c. Pollution equipment maintenance costs d. Facility license fee for producing waste e. Cost of recycling leftover materials	a. Liquid waste installation cost (Oil filtration cost, lime cost) b. Solid waste installation cost (Transportation cost)
Environmental external failure cost	
1. Cost of environmental pollution (soil and river pollution) 2. The cost of cleaning up spilled oil 3. Claim settlement costs	a. Greening costs b. Insurance costs

The cost classification of Sugar Factory does not correspond to the classification of Hansen and Mowen's environmental cost reports. The company focuses only on the cost of managing liquid waste, solid waste, and waste on environmental prevention costs, environmental detection costs and internal failure costs. Meanwhile, Hansen and Mowen are

more specific in each classification, not just talking about waste. Sugar Factory has not implemented green accounting in accordance with the procedure. Where, the company must control responsibility because the waste management carried out by the company requires, measuring, classifying, disclosing and reporting the cost of managing waste from the company's production results.

4.3 Relevance of Environmental Cost Report in Tabligh Perspective

Tablighs are closely related to green accounting. Green accounting focuses on the functions of identifying, measuring, assessing and reporting on financial accounting. Where, in the preparation of environmental cost reports, it is necessary to instill a tabligh nature, namely conveying the truth about the costs incurred during the plant's operation. According to [14] tabligh is communicative, transparent and marketable. Tabligh-based green accounting makes companies submit transparent financial reports and have high accountability value to stakeholders.

4.3.1 Model Transparency in Submitting Environmental Cost Report

The environmental cost report specifically classifies and identifies all environmental costs into the company's financial statements. When these costs are clearly identified, companies will tend to take advantage of opportunities to reduce environmental impact. Sugar Factory in terms of reporting environmental costs has reported environmental costs, but in fact it has not been clearly classified and is still mixed with other cost posts in the financial statements, namely waste management costs. This can be seen from the results of an interview with Mrs. Sevi as Head of Finance and Accounting, that:

"The cost of prevention, the cost of environmental detection is actually in the company. However, we only put all these costs into one cost post in the financial report, namely the cost of waste prevention".

The results of the interview above can be concluded that the environmental activities of Sugar Factory incur costs, but the costs related to these activities have not been grouped by category. As a result, environmental costs become hidden and there is no transparency on stakeholders.

Talking about transparency is inseparable from the awareness of conveying truth or honesty. Transparency of environmental cost reports is to provide information about the costs incurred by the company during 1 period to interested people, both the company itself, investors and the community around the company. The definition of transparency is presented in a Government Regulation that regulates Government Accounting Standards, namely Regulation Number 24 of 2004 (PP24/2004) which has been replaced through PP71/2010. In this regulation, limitations on transparency are found

"Providing open and honest financial information to the public based on the consideration that the public has the right to know openly and thoroughly the government's accountability in the management of the resources entrusted to it and its observance of laws and regulations."

The definition above confirms that transparency is a form of disclosure of information about finances to the public. The meaning contained that the company as a body that stands in the settlement of citizens must provide information to the public. Therefore, Sugar Factory

must be transparent in identifying the company's environmental cost reports. Emphasizing a transparent attitude (openness) is very important to pay attention to because in Sura Al-Maidah verse 8 says:

"people of faith, let you be the ones who always establish (the truth) because of God, to be just witnesses. And never let your hatred of any kindred, prompt you to do unjustly. Be fair, because fair is closer to takwa. And be devoted to Allah, verily Allah is all-knowing what you do".

The content of the interpretation of Al-Misbah in surah Al-Maidah verse 8 invites man to always carry out Allah's commands and carry out the consecration of man by revealing the truth. Man must continue to behave adally because justice is the closest path to laughter to God and away from his wrath. Islam has called on humanity to always be consistent with justice, both with rulers and enemies. To increase the sense of social responsibility and transparency (honesty/truth), Sugar Factory should make a social report containing reports on CSR activities and social costs as a form of openness to stakeholders. Sugar Factory is only a branch company of PT Perkebunan Nusantara so it does not produce the company's sustainability report. The company is only provided with a breakdown of costs regarding environmental activities and carrying out such activities.

In carrying out CSR activities or programs, Sugar Factory issues social assistance by making various facilities, such as; polyclinics, meeting halls, tennis courts, badminton courts, elementary schools, kindergartens, mosques, prayer rooms, and messes that benefit from local residents. Every year, Sugar Factory always holds sugar distribution activities that are distributed to local residents, holds mass sunnat every milling period, and carries out mass operations. This is done to fulfill the company's responsibility to society. The gift given by Sugar Factory is based on intention and sincerity in sharing. Allah says in surah Al-Baqarah verse 195, namely:

"And spend in the way of Allah, and do not bring yourselves into destruction, doing good, for Allah loves the good."

In the interpretation of Al-Misbah, the above verse explains that, as jihad is done with the sacrifice of souls. It can also be channeled through the sacrifice of treasure. Then inflict your treasures to prepare for war. Know fighting them is a war in god's way. Do not stand idly by and benevolent in your treasures for the war. Giving or sharing is beneficial and rewarding, giving or sharing is beautiful and giving and sharing is a blessing. Sugar Factory blatantly provided assistance to residents. The provision of this assistance is a form of company transparency to the community that the existence of the company does not make losses, even brings blessings to the community and the company itself.

4.3.2 Accountability Model in Submitting Environmental Cost Report

Accountability is accounting information that is presented taking into account all aspects of an entity's information, especially information relating to an entity's economic, social, and environmental responsibilities, as well as the cost-benefits of the impacts caused. Environmental accountability concerns the activities carried out by the company and the effects that these activities have on the environment. Environmental damage that continues to occur when the company operates can increase environmental accountability because it is

caused by pressure from various stakeholders to make the company more concerned about its environment and this further motivates the company to show that they are a clean company. The role of stakeholders is also needed in environmental management and accountability. Co-operation, collaboration, supervision and environmental audit are forms of stakeholders' roles in environmental management and accountability that can strengthen the relationship between the company and stakeholders, generate customer satisfaction and comfort, improve environmental performance and contribute to companies that are going concerned.

The company's contribution or responsibility to the environment is usually poured into CSR programs. CSR reporting in each company is different. This happens because there is no binding regulation or policy or requires companies to report it. The form of CSR accountability at Sugar Factory is carried out voluntarily. The company annually provides assistance to the community. The results of the interview with Mrs. Sevi as the head of finance said:

"We have built various facilities so that the community and the company can use these facilities, such as mosques, mushalabs, kindergartens, etc. Every year we also carry out mass sunnat during the milling period, provide sugar relief, and conduct market operations. We do this to please the community."

The results of the interview above show that Sugar Factory carries out CSR programs as a form of the company's responsibility to the community because it has been operating in the midst of residential areas. It can be seen that through CSR programs, companies can legitimize society by following the value system in the community. The company ensures that everything that is done, stakeholders perceive their activities as a form of legitimacy.

"An interview from the mother of a resident of Massamaturu Village' said that: There is a lot of help given by the factory to the people here. If the milling period of the company recruits workers in this village. The sugar factory gives away free requests from residents as long as they submit proposals to the company. The company provides scrap metal for DEWITA tourist destinations. Then, during the milling period, the company gave sugar to the village, then the village distributed it to the community. Each milling period is also often held mass sunnat. Furthermore, the company often repairs the damage that exists in mosques and schools."

The results of this interview show that the community also feels directly the responsibility of Sugar Factory through a CSR program that is carried out every year. Not only a form of accountability to stakeholders, CSR is also a form of accountability to Allah SWT in the form of almsgiving. It is hoped that the publication of this CSR program can help companies meet accountability to stakeholders. Accountability for reporting environmental costs can support a company's going concern.

Related to corporate environmental accountability, reporting is a form of accountability to stakeholders. The creation of an environmental cost report must be done honestly and correctly. Companies must make separate environmental cost reports so that stakeholders can clearly see the identification of environmental costs incurred by the company during its operation each year. Companies should also make a sustainability report that contains a company sustainability report. The results of the interview with Sevi's mother as the head of finance said:

"For a separate environmental cost report we don't have one yet. We still incorporate it in the financial statements. We also have a sustainability report."

The results of this interview stated that the accountability of Sugar Factory in the form of reporting has not been well realized. To increase accountability, companies should create separate environmental cost reports. Create a company sustainability report. However, Sugar Factory did not make a sustainability report because it is a branch company of Sugar Factory X. Takalar Sugar Factory is only given details of costs regarding environmental activities and carrying out these activities.

5. Conclusion

The existence of green accounting is very important for Sugar Factory. Sugar Factory has prepared environmental costs in a period to finance the damage that occurred during the operation of the plant. Sugar Factory has incurred costs to tackle environmental damage, but the recognition of these costs has not been grouped by category. The environmental costs of Sugar Factory are unified in one cost post, namely the cost of waste prevention. This results in hidden environmental costs. Thus, Sugar Factory has not fully implemented green accounting in terms of identifying, measuring, and reporting environmental costs.

The concept of *tabligh* (conveying) in its relevance to environmental cost reports emphasizes the commitment of transparency and accountability. Sugar Factory still lacks transparency in terms of reporting environmental costs because the company does not categorize environmental costs. meanwhile, in terms of accountability, Sugar Factory has not been able to make a sustainability report.

References

- [1] Jolly, L. 2014. Green Accounting a Way to Sustainable Development. *Sai Om Journal of Commerce & Management*, 1(5): 44-47.
- [2] Andika, A., N. L. G. E. Sulindawati, dan P. S. Kurniawan. 2017. Analisis Perlakuan Akuntansi Atas Biaya Pengolahan Limbah Pabrik (Studi Penerapan Akuntansi Lingkungan pada PT Indo Citra Jaya Samudra Jember). *E-Journal AKK Universitas Pendidikan Genesha*, 8(2): 1-10.
- [3] Hapsoro, D. dan R. I. Adyaksana. 2020. Apakah Pengungkapan Informasi Lingkungan Memoderasi Pengaruh Kinerja Lingkungan dan Biaya Lingkungan terhadap Nilai Perusahaan?. *Jurnal Riset Akuntansi dan Keuangan*, 8(1): 41-52.
- [4] Jaya, H. 2015. Analisis Penerapan Akuntansi Biaya Lingkungan terhadap Laba Perusahaan PT. Imeco Batam Tusbular. *Jurnal Measurement*, 9(1): 59-77.
- [5] Abdullah, M. W. dan A. Yuliana. 2018. Corporate Environmental Responsibility: An Effort to Develop A Green Accounting Model. *Jurnal Akuntansi*, XXII(3): 305-320.
- [6] Astuti, A. D. dan P. I. Nugroho. 2016. Kepedulian dan Pengetahuan Pelaku Bisnis Mengenai Green Accounting. *Jurnal Bisnis dan Ekonomi*, 14(1): 34-45.
- [7] Abdullah, M. W., Nurwahida., Suwandi, M., and Hanafie, H. 2021. Amanah Metaphor in Medical Waste Prevention Effects Environmental Cost Accounting. *ATESTASI: Jurnal Ilmiah Akuntansi*, 4(2): 173-184.
- [8] Sari, M., Faridah, dan L. Setiawan. 2017. Analisis Penerapan Akuntansi Lingkungan pada Rumah Sakit Umum Daerah Daya Makassar. *Jurnal Riset Edisi XII*, 3(1): 42-54.

- [9] Lestari, N. P. R. K., I. G. A. P. Yudantara, dan P. S. Kurniawan. 2020. Analisis Potensi Pelaporan Akuntansi Lingkungan sebagai Bentuk Pertanggungjawaban Perusahaan terhadap Lingkungan (Studi pada PG Madikismo Cabang Denpasar). *Jurnal Ilmiah Akuntansi dan Humanikah*, 10(1): 51-61.
- [10] Sulistiawati, E. dan N. Dirgantari. 2016. Analisis Pengaruh Penerapan Green Accounting terhadap Profitabilitas pada Perusahaan Pertambangan yang Terdaftar di Bursa Efek Indonesia. *Jurnal Reviu Akuntansi dan Keuangan*, 6(1): 865-872.
- [11] Nisa, A. C., A. Malikhah, S. A. Anwar. 2020. Analisis Penerapan Green Accounting Sesuai PSAK 57 dan Kinerja Lingkungan terhadap Profitabilitas Perusahaan Pertambangan (Studi Empiris pada Perusahaan yang Listing di Bursa Efek Indonesia Tahun 2014-2018). *Jurnal Ilmiah Riset Akuntansi*, 9(3): 15-26.
- [12] Hamzah, A. 2018. Pengaruh Biaya Lingkungan, Corporate Social Responsibility terhadap Kinerja Keuangan dan Kinerja Lingkungan sebagai Variabel Intervening. *Jurnal Ekonomi Akuntansi dan Manajemen*, 13(2): 1-18.
- [13] Alamsyah, Y. A. 2017. Membumikan Sifat Rasul dalam Kepemimpinan Pendidikan: Memosisikan Nabi Muhammad SAW Sebagai Panutan Dalam Kepemimpinan Pendidikan. *Jurnal Kependidikan Islam*, VII(II): 137-147.
- [14] Adinugraha, H. H. 2013. Norma dan Nilai dalam Ilmu Ekonomi Islam. *Media Ekonomi dan Teknologi Informasi*, 21(1): 49-59.
- [15] Junaedi, D. 2013. Memahami Teks, Melahirkan Konteks: Menelisik Interpretasi Ideologis Jamaah Tabligh. *Journal Qur'an and Hadith Studies*, 2(1): 1-17.
- [16] Downling, J. dan Pfeffer, J. 1975. Organizational Legitimacy, Societal Values and Organizational Behaviour. *Pacific Sociological Review*, 18(1): 122-136.
- [17] Tisna, R. D. A., N. Diana, dan Afifudin. 2020. Pengaruh Penerapan Green Accounting terhadap Profitabilitas Perusahaan Manufaktur yang Terdaftar di BEI Tahun 2015-2018. *E-JRA*, 9(1): 17-28.
- [18] Febriansyah, E. dan R. Fahreza. 2020. Pengaruh Pengungkapan Akuntansi Lingkungan dan Mekanisme Good Corporate Governance terhadap Kinerja Keuangan (Studi Empiris pada Perusahaan yang Terdaftar di Bursa Efek Indonesia). *Jurnal Pasar Modal dan Bisnis*, 2(2): 129-154.
- [19] Citrayantie, T., D. Said, dan Mediaty. 2020. Green Accounting dalam Penelitian Kepustakaan. *Jurnal Akuntansi, Kewirausahaan dan Bisnis*, 5(1): 1-11.
- [20] Hendratno, S. P. 2016. Sudut pandang perusahaan di akuntansi hijau. *Binus Business Review*, 7(3): 247-253.
- [21] Abdullah, M. W., Bayan, A. Y. M., and Hanafie, H. 2021. Implementation of Green Campus to Realizing University Social Responsibility at State Islamic Religious College (SIRC) in South Sulawesi Indonesia. *Technium Social Science Journal*, 24(1): 336-347.
- [22] Nasution, H. dan S. A. Agustin. 2020. Analisis Aktivitas dan Biaya Lingkungan dalam Mewujudkan Green Accounting pada BUMDES Setia Asih. *Jurnal PETA*, 5(2): 17-35.
- [23] Zulaikhah, S. dan E. Kristiani. 2020. Pengetahuan Biaya lingkungan dan Konsep Green Accounting pada Hotel Klasifikasi Melati di Kota Surakarta. *Media Akuntansi*, 32(1): 69-85.
- [24] Wulandari, R., D. Natasari, I. A. Faiz. 2019. Penerapan Akuntansi Lingkungan pada Badan Usaha Milik Desa untuk Mewujudkan Green Accounting (Studi Kasus pada Badan Usaha Milik Desa "X"). *Jurnal MONEX*, 8(1): 189-188.

- [25] Pratiwi, D. N. dan Y. A. Pravasanti. 2018. Analisis Penerapan Green Accounting pada Industri Batik Laweyan. *Jurnal Accounting, Auditing, & Accountability*, 3(2): 536-550.
- [26] Gunawan, E. 2012. Tinjauan teoritis Biaya lingkungan terhadap Kualitas Produk dan Konsekuensinya terhadap Keunggulan Komopetitif Perusahaan. *Jurnal Ilmiah Mahasiswa Akuntansi*, 1(2):47-50.
- [27] Nuryana, I., W. S. Rachmadani, dan K. W. Jati. 2018. Implementasi Green Accounting pada Daerah Rawan Bencana (Studi Fenomenologis pada Pemerintah Daerah Kabupaten Banjarnegara). *Equilibrium*, 6(1): 11-25.
- [28] Abdullah, M. W and Amiruddin, H. 2020. Efek Green Accounting terhadap Material Flow cost Accounting dalam Meningkatkan Keberlangsungan Perusahaan. *Ekuitas: Jurnal Ekonomi dan Keuangan*, 4(2): 166-186.
- [29] Hasira, L. O., R. Fitriana, dan B. C. D. Harso. 2018. Analisis Penerapan Akuntansi Lingkungan pada Rumah Sakit Medika Citra dalam Proses Pengelolaan Limbah. *Jurnal Akuntansi Multi Dimensi*, 1(1): 1-9.
- [30] Mardikawati, S. I., L. P. Widianingsih, dan R. Magdalena. 2014. Evaluasi Penerapan Akuntansi Manajemen Lingkungan pada PT II. *Jurnal Gema Aktualita*, 3(2): 98-106.
- [31] Farouk, S., J. Cherian, dan J. Jacob. 2012. Akuntansi hijau dan manajemen untuk manufaktur berkelanjutan di negara berkembang. *International journal of bisnis dan manajemen*, 7(20): 36-43.
- [32] Santoso, H. F. 2012. Akuntansi lingkungan tinjauan terhadap sistem informasi akuntansi manajemen atas biaya lingkungan. *Jurnal akuntansi*, 12(2): 635-654.
- [33] Ratulangi, A. V. J., S. Pangemanan, dan V. Tirayoh. 2018. Analisis Penerapan Akuntansi Lingkungan terhadap Biaya Operasional Pengelolaan Limbah pada Rumah Sakit Pancaran Kasih Manado. *Jurnal Riset Akuntansi Going Concern*, 13(13): 410-418.
- [34] Susilo, J. dan N. Astuti. 2014. Penyusunan Model Green Accounting untuk Perusahaan Melalui Perhatian, Keterlibatan, Pelaporan Akuntansi Lingkungan dan Auditnya. *Permana*, V(2): 17-32.
- [35] Al-Qur'an Al Karim.
- [36] Sugiyono. 2014. *Metode Penelitian Kuantitatif Kualitatif dan R&D*. Cetakan ke-21. Bandung: Alfabeta.
- [37] Nurul, Farida R. 2016. Menggunakan Metode Etnogtafi dalam Penelitian Sosial. *Dimensi*, 9(2): 87-92.
- [38] Azmi, Z., Abdillah Arif N. dan Wardayani. 2018. Memahami Penelitian Kualitatif dalam Akuntansi. *Akuntabilitas: Jurnal Ilmu Akuntansi*, 11(1): 159-168.
- [39] Mariani, De. 2017. Pengaruh Penerapan Green Accounting, Kepeilikan Saham Publik, Publikasi CSR Terhadap Pengungkapan CSR dengan Kinerja Keuangan Sebagai Variabel Intervening (Studi Empiris pada Perusahaan Property dan Real Estate yang Terdaftar di Bursa Efek Indonesia Tah. *Jurnal Akuntansi dan Keuangan*, 6(1): 141-160.