
GREEN ACCOUNTING AND ITS ROLE IN IMPROVING THE TRANSPARENCY OF FINANCIAL REPORTING INFORMATION TO ACHIEVE SUSTAINABILITY

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Abstract

The homework seeks to demonstrate green secretarial and its role in educating the transparency of bookkeeping information to achieve sustainability. To achieve the study's objectives, a set of former studies related to green bookkeeping, print, and sustainability were reviewed. The study reached several key conclusions, most outstandingly that green bookkeeping plays a significant role in highlighting statistics related to sustainability. Therefore, the study recommends that operating industrial companies pay grander attention to this issue, By executing green accounting, concerns can clearly contribute to enjoyable their environmental everyday jobs and obligations for advance purposes.

Introduction

In sunlit of global economic and business development, realms are increasingly whirling to the environment by implementing sustainable development. This slant aims to meet the wishes of current groups without compromising the constitutional civil rights of future generations to well-being and enjoyment of resources. This is achieved through a strategy that balances environmental, social, and pecuniary nutrition.

Conservation balance is a fundamental value, calling for the prevention of depletion and toxic waste of natural resources and the preservation of the biosphere. From this perception, it has become overbearing for companies to limit ecofriendly violations and diminish harmful secretions, which in turn entail eco-friendly costs.

The badly-behaved of this training is to demonstrate the range to which the presentation of green bookkeeping processes contributes to enlightening the transparency of pecuniary reporting material related to the environment and its chunks. This aims to accomplish sustainability in line with the fluctuations taking dwelling in the modern business environment in sunlit of the economic sincerity witnessed by Libya. It also objects to identify the complications and complications that thwart its appropriate enactment, ensuring transparency and jam-packed disclosure of evidence published in financial information. Accordingly, this delinquent can be articulated in the following two main interrogations:

- 1: Do bookkeepers realize the reputation of applying green bookkeeping procedures?
- 2: Does the submission of green accounting measures contribute to improving the print of financial reporting evidence to complete sustainability?

This thing highlights the status of green accounting in the situation of the global shift near sustainable change. It explains that sustainable change requires a balance between ecofriendly, social, in addition economic needs, with an weight on environmental safety and preventing the overexploitation of natural possessions.

The artefact notes that traditional office has failed to chance these chunks by concealing ecofriendly costs within indirect outgoings, resulting in wrong financial information. Hence, adopting green accounting has converted a necessity as a new background for measuring, investigating, and disclosing eco-friendly costs in commercial announcements.

The learning aims to highlight green bookkeeping and its role in improving the photo of accounting evidence to complete sustainability.

In decision, the article links the enactment of green accounting to improving the shot of financial reporting through reasons such as the presentation of good control and adherence to transnational standards. Thus, jade accounting contributes to completing the ecofriendly goals of sustainable increase.

First: Summary of the theoretical framework of the article

Green office has numerous explanations, the most wide-ranging of which is that of Bouakaz (2021: 21), who states it as "a branch of bookkeeping that affords beneficiaries and decision-makers through office and cost evidence related to ecofriendly aspects." The article motivations on the resulting aspects:

- All-inclusiveness and Integration: Green bookkeeping is not limited to the financial piece alone, but rather integrates pecuniary methods for measuring and releasing activities that impression the environment.

- Calculating Environmental Costs: Its principal mission is to ration the cost of an establishment's various happenings and their impact on accepted properties.

- Conclusion Support: This material is used to help sponsors identify and address negative powers on the environment, certifying its protection.

- Completing Sustainable Change: The ultimate goal is to back to achieving a steadiness between pecuniary objectives and ecofriendly responsibility, to ensure workable development.

In short, green office is a vital tool for empowering companies and organizations to appreciate their environmental everyday jobs and integrate them addicted to their operational progressions and administrative, underwriting to sustainable change.

Among the impetuses for interest in green secretarial (Kamsho et al., 2020):

The article addresses the main drivers of the emergence of green accounting, explaining that environmental protection is no longer an option, but rather a necessity imposed by multiple factors.

1. Conservation laws: The negative impacts of pecuniary activities have contributed to strident countries, such as Libya, to problem strict environmental safety laws. These laws oblige establishments to assume new environmental odd jobs that require specialized bookkeeping tools.

2. Lenders' concentration: Lenders are disturbed about the financial impact of ecofriendly risks, and because traditional bookkeeping does not provide this statistics, the need for green bookkeeping has appeared as a tool for assessing environmental issues.

3. Consumer cognizance: Consumers require begun to prefer globally friendly products, motivation companies to disclose their environmental routine.

4. Nominee decisions: Stockholders are taking into account concerns' compliance with ecofriendly requirements. They recognize that poor environmental follows may increase risks and charges, primary to reduced earnings.

Overall, the piece demonstrates that green bookkeeping is not just a theoretical impression, but a practical rejoinder to collective legal, financial, and social compressions. The artifact altruisms the ideologies of green accounting, comprising the scientific thoughts of green bookkeeping (Yahyaoui, Khallaf, 2018)

- The opinion of materiality: This underscores the need to motivation on environmental bearings and dimensions that are of essential importance, even if they are insignificant in size, so that they are not unloved.

- ❖ The principle of recording environmental dimensions and impacts: This calls for cassette and recording all conservation impacts as momentarily as they occur, taking mad about account the potential ecofriendly liabilities that may result from them in the future.

- ❖ The principle of isolated inventory and accretion of ecofriendly costs: This underscores the importance of manipulative a separate bookkeeping system to collect and classify environmental costs, so that they are not pooled with other costs. This separation certifies the clarity of ecofriendly information.

- ❖ The principle of share: This requires that ecofriendly costs be allotted to the activities or merchandises that caused them. This countenances for the strength of character of the environmental cost per thing, which more accurately mirrors environmental obligation.

- ❖ The value of calibration: This standard aims to estimate the adeptness of actual environmental costs. This is through by comparing the outlays actually incurred by way of pre-defined canons, which helps determine the extent to which actual recital meets conventional objectives.

- ❖ The standard of obligation bookkeeping: This principle emphasizes the need to verbalize ecofriendly news. High-quality environmental quotation systems are perilous for both internal supervision (to assist in decision-making) and outdoor parties (for conservational disclosure purposes), shimmering the officialdom's responsibility to its milieu.

In universal, these principles aim to provide a organized background that ensures the truthful and self-regulating collection, soundtrack, and analysis of eco-friendly costs, enhancing the print of financial and eco-friendly reporting.

The article intentions to define the concept of statistics transparency from multiple perceptions. According to the characterization provided by Ahmed (2016), information clearness means making all monetarist and non-financial data interrelated to a establishment available to all interested merrymakings (stakeholders). The article condenses the arrangement as follows:

- Comprehensiveness: Clearness includes only if monetarist (such as financial performance) and non-financial (such as ecofriendly or social performance) material.

- Predictive ability: The evidence provided should help sponsors predict the company's future routine.

- Representative validity: The evidence accurately reflects the concern's reality, avoiding misinformation.

- Supporting oversight: Clearness serves as a tool for managing misunderstanding, reducing insecurity and dereliction.

Essentially, clearness serves as a bridge of trust sandwiched between the company and its sponsors, ensuring that decisions are constructed on complete also exact information.

The thing highlights the importance of shot:

- Building trust: Attractive the confidence of stakeholders and savers in establishments.

- Reducing the gap: Certifying that information is handy to all users, thus reducing the breach sandwiched between them.

- Solving the intervention delinquent: It diminishes the informational advantage enjoyed by managing at the expense of stakeholders, thereby reducing evidence asymmetry.

- Stabilizing bazaars: It reduces pecuniary market hot-bloodedness and mitigates information unevenness and earnings managing.

Second: Literature review

1. A study (Barai, Mahmoud, 2024) aims to evaluate the power of applying emerald accounting on product strategy and the cost-effectiveness of concerns unlisted on the Egyptian Stock Dialogue. The study relied on a eloquent analytical approach based going on desk research too field research. A form was distributed to a model of 338 economic managers, financial division employees, faculty adherents, and their subordinates at Egyptian schools. Through the field homework, the student reached several suppositions, the most chief of which are:

- Green bookkeeping is a concept that intentions to achieve environmental sustainability by tumbling the environmental impression and improving its eminence by providing truthful and timely reports that help sponsors make informed verdicts.

- Emphasizing the reputation of green bookkeeping in relation to environmental filth, by taking eco-friendly reflections into version in any economic managerial method.

- Applying green bookkeeping requires computing the ecofriendly impact of dealings on the location, by reformatting the social responsibility observes of the business free to ensure that environmental objectives are achieved alongside pecuniary ideas.

- Applying olive accounting has ecofriendly impacts, which in crack have a weighty impact on profits and the location. The reimbursements of applying green bookkeeping are that it reduces the costs of environmental planning and changes to a new location, i.e., the process of creating a new location, which is the process of opening and implementing a new location. The study dowries a set of approvals:

- The status of applying green bookkeeping in the Egyptian Run-of-the-mill Exchange to succeed its conservation costs, by categorizing the ecofriendly impact of using green bookkeeping. - The prospect of improving the policy of available spaces essentially by sinking water waste using green universes, as green spaces are salvaged as water, which saves liquid and energy.

- The necessity of applying green accounting in the Egyptian Stock Exchange to improve company performance.

- The necessity of emphasizing the application of green accounting as a sustainable practice to reduce the negative environmental impacts of the company's economic activity and improve environmental information in positive reporting.

- The necessity of implementing appropriate management systems in accordance with the Egyptian accounting system, so that the application of green accounting remains consistent with the financial statements. This reduces the space available in the financial statements and the environmental impact of the system, which affects the company's short-term performance of its operations.

- The study seeks to identify the environmental damage caused by natural resources in renewable energy production and reduce the environmental risks associated with renewable energy production.

2. Study (Nafi, Dunya, 2022) The present study had the objective of evaluating the impact of green accounting with its two pillars (sufficiency and divulgation of environmental dimensions) on the realization of sustainable development dimensions (economic dimension, social dimension, environment dimension), this study was determined by two variables: the independent variable (green compliance) and the dependent variable (sustainable development). In order to achieve the objective of the study, (33) questionnaires were distributed to a school that includes: accountants, auditors, university professors specialized in accounting, and for the needs of data analysis we all use statistical packages for the social sciences (SPSS version 21), and so, based on the past months, the simple regression model in addition to other statistical methods. The most significant findings, which are the source of this study, are as follows: - Real accounting is the best of all, as it can help promote the participation of economic institutions in environmental conservation by providing information on encouraging costs in this area; - The study's researchers (accounting specialists) agree with the statistical significance that accounting plays a key role in achieving sustainable development, despite the minimum calculation being 4.04; - The impact of green accounting on sustainable development is statistically significant; as a result, the study revealed a positive correlation between the independent and dependent variables, with this correlation in question reaching a value of 67.4%. In light of these findings, the study recommends that developing companies implement a system compatible with a method that is consistent with modern environmental developments and incorporates the requirements of green competitiveness.

3. Study (Saeed et al ,2023)The study seeks to explore how green accounting practices, through audit committee effectiveness, can contribute to improving the financial performance of industrial companies in the Kurdistan Region of Iraq. Data for this study was collected from a number of industrial companies in the oil and gas, petrochemical, textile, building materials, cement, and metal processing sectors.

The study indicates that:

- ❖ The impact of companies on the environment has become a global concern, and companies are facing increasing pressure from stakeholders to take a broader view of their objectives and activities in terms of social and environmental dimensions.
- ❖ The results of descriptive statistics show that the management of industrial companies in the Kurdistan Region adopts green accounting, a well-known modern concept. Companies adhere to general environmental laws, which are based on the need to preserve the environment and its resources.
- ❖ Industrial companies in the Kurdistan Region prepare periodic reports on environmental costs and submit them to the required authority, the Environment Directorates in the governorates. However, industrial companies do not voluntarily disclose their environmental activities through sustainability reports.
- ❖ The results of the correlation coefficient indicate that the relationship between financial performance and green accounting is a moderate and direct relationship that reached (0.57). The regression results also indicate that green accounting has a positive impact of 0.471 on the financial performance of industrial companies, meaning that financial performance increases by 0.47 with a one-point increase in the level of green accounting.

Based on the findings, the following proposals can be made:

- Despite the presence of an audit committee in industrial companies in the Kurdistan Region, the audit committee does not play an effective role in monitoring management's efforts to improve the practice of green accounting disclosure. Therefore, it is necessary to activate the audit committee to enhance its ability to improve the quality of disclosure in financial reports.
- The management of industrial companies should pay serious attention to the process of evaluating financial performance using efficient methods and improve their companies' performance by implementing green accounting principles and establishing audit committees.
- It is necessary to form audit committees in companies with professional and practical qualifications in accounting, and experience in implementing green accounting. The boards of directors of industrial companies should develop the capabilities of audit committee members to enhance the committee's ability to understand and improve the practice of green accounting.
- We recommend conducting further research to investigate this problem in the future, taking into account other sectors such as banking. The banking sector is large in Iraq and Kurdistan and can impact the environment through its activities and investment decisions.

4. Study (Al-Farjani, Rushwan, 2024) The study aimed primarily at scientific grounding by identifying the role of digital environmental governance in activating the requirements of green accounting. To answer the questions and test the hypotheses, the researchers adopted the descriptive analytical approach, and relied on the questionnaire tool, which was distributed after its evaluation and arbitration on the study sample consisting of general managers, department managers, and heads of administrative and financial departments working in some

selected industrial companies operating in the countries of Libya and Palestine, numbering (60) respondents, and it was analyzed using the statistical program (spss).

The study indicates that:

- The study results revealed a consensus and a role for digital environmental governance in activating the accounting method to keep pace with environmental activities from the perspective of the study sample. This is consistent with the findings of some previous studies (Al-Obaidi, 2015, Salah Al-Daman et al., 2020), and supports the use of digital environmental governance in preparing, designing, and monitoring accounting systems to reflect the reality of environmental activities within the company's business.
- The results demonstrated a role for digital environmental governance in activating the measurement method for environmental activities. Therefore, the results of this study support efforts seeking to disseminate and activate accounting measurement methods, in addition to their agreement with the results of previous studies on the importance of the field of accounting measurement for environmental activities.
- The study results showed a role for digital environmental governance in activating the method of environmental cost analysis, which is consistent with and supports the study (Nasiri and Sarmed, 2021) on the importance of communicating the role of financial accounting in activating the environmental cost analysis system, and adding the role of digital environmental governance.
- The study results demonstrated a role for digital environmental governance in activating the preparation of reports and disclosure of sustainable environmental standards. Accordingly, this study is considered an addition to support the methods and systems for preparing and presenting financial reports and accounting disclosure that rely on digital environmental governance to activate the financial accounting system.

Based on the findings, the following proposals can be made:

- The importance of focusing on publishing, activating the digital age and digital partnerships in the field of environmental accounting, and qualifying the necessary human resources.
- The importance of working to issue the necessary legislation and laws to activate the role of environmental governance and its relationship to environmental accounting, and conducting further analytical studies related to digital governance in the field of accounting.

The third : Discuss the current study with previous studies and draw conclusions

1. Previous studies have found that implementing green accounting has environmental impacts, which in turn significantly impact profits and the environment. The benefits of implementing green accounting include reducing the costs of environmental planning and new environmental alternatives, i.e., the process of creating a new environment. The current study indicates a statistically significant relationship between accountants' awareness of the importance of implementing green accounting and a statistically significant relationship between the role of implementing green accounting and improving the transparency of financial reporting. Based on these findings, the researchers recommended enacting local laws

and regulations consistent with updated international standards, requiring industrial companies to disclose environmental costs in their financial statements, thus enhancing their transparency. They also recommended that industrial companies operating in Misrata pay greater attention to this issue. By implementing green accounting, companies can clearly contribute to fulfilling their environmental responsibilities and obligations to achieve development.

2. The results of previous studies have shown that digital environmental governance plays a role in activating the measurement approach for environmental activities. Therefore, the results of this study support efforts aimed at disseminating and activating accounting measurement methodologies, in addition to their agreement with the results of previous studies on the importance of the field of accounting measurement for environmental activities. The current study indicates the application of green accounting.

3. The results indicate that green accounting positively impacts the financial performance of industrial companies. Additionally, the audit committee positively impacts the performance of the sample companies in the Kurdistan Region. Furthermore, the audit committee moderated the positive relationship between green accounting and financial performance. We recommend forming audit committees in companies with professional and practical qualifications in accounting, and experience in applying green accounting, and developing the capacities of the boards of directors of industrial companies to enhance the committee's ability to understand and improve green accounting practices. The findings of the study (Saeed et al., 2023) are similar to the current study.

4. The previous study indicated that real accounting is the best of all, as it can help enhance the participation of economic institutions in environmental conservation by providing information on encouraging costs in this area. - The study's study (accounting specialists) agrees with the statistical significance that accounting plays a major role in achieving sustainable development, and the impact of green accounting on sustainable development is statistically significant. As a result, the study revealed a positive correlation between the independent and dependent variables, and this correlation in the question reaches a value of 67.4%. In light of these results, the study recommends that developing companies implement a system compatible with a method that is consistent with modern environmental developments and includes the requirements for green competitiveness.

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