

Before and after the Promulgation of the New Environmental Protection Law, Enterprise Environment Accounting Comparison Taking Open Cast Coal Mining Enterprises as an Example--in Inner Mongolia¹

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Abstract 18 plenary sessions of the party stated that China should adhere to green development and must adhere to the basic State policy of conserving resources and protecting the environment. Meanwhile, we should increase the intensity of environmental governance to improve environmental quality as the core and adopt the most stringent environmental protection system. New Environmental Protection Law amended latterly (hereafter referred to as New Environmental Protection Law) has come into force officially on the 1st, Jan, 2015. The law early in the introduction was labeled "the most stringent", "long teeth" and exerted an influence on all walks of life. The disclosure of Environmental accounting information has become a social focus. The article contrasts and analyzes the enterprises environmental accounting information before and after the promulgation of the New Environment Protection Law, taking Inner Mongolia Huolinhe opencast coal Limited by Share Ltd as an example, in aim to discover the expects that have influence on enterprises after the implementation of the New Environment Protection Law and further put forward the implementation proposal.

Keywords: *new environmental protection laws, environmental accounting, inner Mongolia, opencast coal limited by share ltd*

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1. Research Background

According to the Chinese Academy of Sciences, at present the environmental problems caused by environmental pollution and ecological damage have gave rise to the loss of gross 15% of GDP. Eco-environmental problems not only restrains China's economic development, but is affecting people's quality of life seriously. Therefore, there is no time to delay the environmental problem. It is imperative to figure out the environmental problem and realize scientific development.

"The People's Republic of China Environmental Protection Law" was adopted at the 12th session of the Standing Committee of the eighth national Conference in 2014, and implemented on the 1st, January, 2015. New Environmental Protection Law established in the principle of "priority of environmental protection". There have been thousands of academic research papers published, financial accounting for which approximately from 30% to 40%. Based on the comparison before and after the promulgation of the new law for environmental protection, enterprises finance environmental expenditures at the same time, expecting after the implementation of new

environmental protection act will influence on the enterprise, researching and analyzing the implementation of the new law on environmental effects, and making recommendations for improvement.

(A) New Environmental Protection Law

"The People's Republic of China Environmental Protection Law" was adopted at the 12th session of the Standing Committee of the eighth national Conference in 2014, and implemented on the 1st, January, 2015. New Environmental Protection Law established in the principle of "priority of environmental protection", this priority of environmental protection is emphasizing the purpose of coordinating economic development with environmental protection. Law specified that the purpose of total emissions of key pollutants control system and discharge licensing management system, introducing uncapped penalties by the day, using mandatory of taxation to cover the randomness of sewage charge, and through strengthening the environmental approval of construction project and financial policy, increased environmental protection pressure on sewage operations, making illegal costs increase significantly.

(B) Environmental Accounting

The environmental accounting is also known as the "green accounting", originated from United Kingdom

industrial revolution. Modern industry which is more and more advanced provides human society with abundant material goods. Meanwhile, it also caused serious environmental pollution. Development of human society depends on material resources and the ecological environment, however, it has presented more signs of failure, which leads to the global nature of the economic development Foundation shaken. To resolve this contradiction, we have established environmental accounting Committee since June, 2001. From then on, our country have set off a new chapter of green accounting.

Environmental accounting is based on relevant laws and regulations, measuring and recording the cost of environmental pollution, environmental control, and the environment exploitation. At the same time they also measure and report environmental maintenance and development benefits reasonably, from which we can integrate assessment of environmental performance and environmental activities impact on an enterprise's financial results. It combines accounting and environmental economics in order to achieve the objective of coordination between economic development and environmental protection.

2. The Environmental Accounting Information Disclosure of Opencast Coal Limited by Share Ltd. before and after the Promulgation of the New Environmental Protection Law

(A) Profile

Inner Mongolia Huolinhe opencast coal Limited by Share Ltd. was established on 18th, Dec, 2001, which is

the first large open pit coal mining companies. Open pit coal mine is located in Inner Mongolia, is one of five open-pit coal mine. Company produces high quality Brown coal with low sulfur, low phosphorus, high volatility and high ash melting point characteristics. They burn abundantly and combust without coking, which is in line with the environmental requirements "green fuel" of the power plant. The mining model of this company has the safety of operations, coal resource utilization, high production efficiency, low production costs, short construction periods, and other advantages.

Known as one of the country's five largest open pit coal mine of huolinhe open-pit coal mine, is Asia's first modern open-pit coal mine in China. It enjoys the "green fuel" in the world. With its unique strategy of "stronger industry, circulation development, energy conservation and environmental protection." their value doubles and form "coal, electricity, roads and maintenance services" pattern of coordinated development of various industries gradually.

Overall, opencast coal industry attaches great importance to environmental protection. Therefore, open pit coal mining has received no punishment of Environmental Protection Department, and have been named the power of environmental protection Advanced Unit.

(B) Before and after the promulgation of the New Protection Environmental Law, the contrast of open-pit coal mining environmental information disclosure (method of comparative analysis).

(C) Coal enterprises in Inner Mongolia environmental expenditure compared

In the Inner Mongolia autonomous region, there are only three listed coal companies, two of which are A stock company (the common stock). The other is B stock company which is also called special stock.

Table 1. From 2010 to 2015 the disclosure of environmental information of financial statement (capital expenditures & expenses payments)

Vintage	The disclosure of environmental information of financial statement
2010	Reconstruction of dust removal system, coal dry separation technology, coal processing technology fund, dust suppression fee
2011	Reconstruction of dust removal system, of coal dry separation technology, coal processing technology fund, and dust
2012	Reconstruction of dust removal system, coal dry separation technology, coal processing technology fund, dust suppression fee, Sewage treatment fee, environmental protection equipment
2013	Reconstruction of dust removal system, coal dry separation technology, coal processing technology fund, dust suppression fee; Sewage treatment fee, environmental protection equipment
2014	Reconstruction of dust removal system, coal dry separation technology, coal processing technology fund, dust suppression fee, transformation of desulfurization and efficiency, the transformation of low NOx combustion modification, the transformation of denitration in boiler reconstruction, the transformation of improving coal recovery ratio and coal quality in technical transformation, environmental source of pollution ,environmental governance
2015	Reconstruction of dust removal system, of coal dry separation technology, coal processing technology fund, dust suppression fee, sewage charges Transformation of desulfurization and and efficiency, the transformation of low NOx combustion modification, sewage treatmentfee, the transformation of improving coal recovery ratio and coal quality in technical transformation ,environmental governance, First phase project of comprehensive utilization of water resources

Table 2. Statistics of listed coal company in Inner Mongolia

Stock code	Short title	Full name
000780	Pingzhuang energy (Prairie *ST)	Inner Mongolia pingzhuang energy company limited
002128	Open pit coal mining	Inner Mongolia huolinhe open-pit coal mining company limited
900948	Yitai B stock	Inner Mongolia Yi Tai coal industry company limited

Inner Mongolia pingzhuang energy company limited is formerly known as Inner Mongolia Prairie xingfa company limited, located in Yuanbaoshan district in chifeng city, Inner Mongolia. The main business is the "coal mining, coal processing and marketing".

Inner Mongolia Yi Tai coal Industry Company limited is the core of Inner Mongolia Yitai group holding company, which was the first b-share listed companies of the national coal industry. "Iraq Thai 1-8" coal products of Yitai coal Corporation business, which was noted "low gray, and low sulfur, and low p, and low toxic, and low harmful elements of fever value quality power coal" by national coal section total hospital, which was "national quality detection qualified-quality trust products" by China quality test Association and China products promotion Evaluation Center as, which is the best of coal domestic big area development coalfield in species currently, which is natural of "Eco-friendly" high quality thermal coal, which can be used widely in power, vaporizing, metallurgical and other industries as well as domestic coal combustion.

3. The Analyzing of Environmental Status of the Coal Industry the before and after <The New Environment Protection Law> was Established

(one) Analysis of environmental information disclosure in open coal industry

Since the beginning of 2015, after the implementation of the new environmental law, by comparing the analysis of the financial statements in 2010 to 2015 annual report(on the listed company's official website), the conclusions are as followed: although from 2010 to 2015 are to increase or decrease the environmental accounting information disclosure, but overall, from 2012 onwards

the enterprise environmental protection consciousness strengthens gradually, issued 2015 new "environmental protection law", in the financial statements of the environmental information disclosure also gradually increased.

In the open-air coal disclosed in the financial statements, although there is no clear accounting information of the enterprise environmental expenditure directly disclosed in the financial statements, but our notation is not difficult to find, before and after the promulgation of corporate spending on the environment change of the new "environmental protection law". For coal mining enterprises, desulfurization transformation is essential. As shown in the following table, open air coal in 2014 for the improvement of desulfurization 13770529.59 yuan, while in the new environmental protection law after the implementation of the investment of \$14400725.11 in 2015. In the transformation of low nitrogen burners to enhance catalytic reduction desulfurization coal process in 2014 invested 396209.56 yuan, while in 2015 invested \$790419.12. In the selection of forest fees in 2015 compared to the investment funds in 2014 has also been significantly improved 198742.21 yuan. In addition, compared with the 2014 open-air coal industry, in 2015 the company also carried out the sewage treatment, pollution source treatment and other aspects of information disclosure. Under the influence of the new "environmental protection law", the enterprises should strengthen the awareness of environmental protection and increase the expenditure of environmental protection. The government for the coal mining industry in the environmental of the changes is also varying degrees of incentive funds. For example: in the transformation of environmental protection technology financial incentives funds in 2014 was 395209.56 yuan in 2015 was 790419.12 yuan. In the energy saving, water-saving technology innovation has also been significantly improved.

Table 3. 2014 and 2015years capital expenditure data of environmental information disclosure

Subjects	Transformation of desulfurization improve the (Yuan)	Enhanced catalytic reducing desulfurization of coal burner with low nitrogen transformation processes (Yuan)	The transformation of Environmental technology the financial reward Fund (RMB yuan)
2014	13,770,529.59	396,209.56	395,209.56
2015	14,400,725.11	790,419.12	790,429.64
Increase	630,195.52	394,209.56	395,220.08

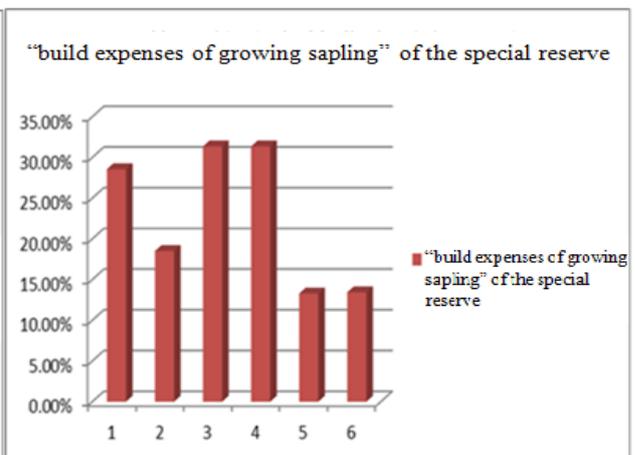
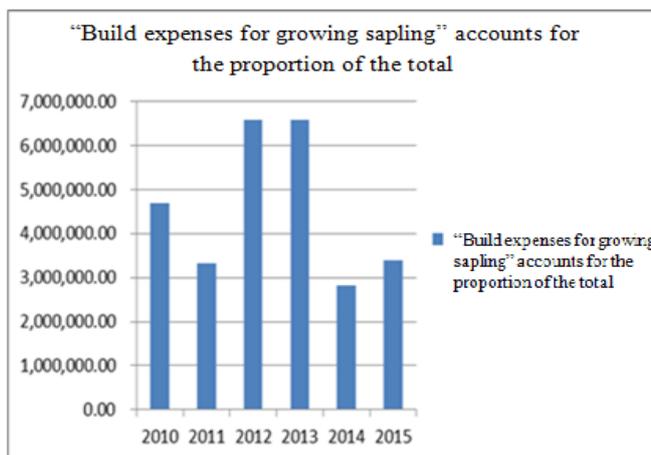


Figure 1. Owner's equity disclosure of environmental information (data from financial statements from 2010 to 2015 for the year open pit coal mining)

From the "owners' equity" to comparative analysis, the "build expenses for growing sapling" accounts for the proportion of the total in 2012 and that in 2013 are the same, while those in 2014 and 2015 are almost flat. After the promulgation of the new environmental protection law, there is no significant change in the corporate environment. It has produced a certain effect, such as, the company's capital expenditure and expenditure on the environment significantly increased, the overall environmental results significantly.

The promulgation of the new environmental law has produced a certain effect on some projects, and promote the development of environmental accounting, environmental information disclosure. However, the open coal industry, for example, the new environmental law is not obvious enough, not comprehensive.

Through in-depth research, we can find that after the promulgation of the new environmental protection, have the following effects:

1. penalties increased, enterprises pay more attention to

The old "environmental protection law" is not enough to punish the enterprises in the environmental violations, resulting in the environmental accounting information in the financial statements are not fully reflected, information disclosure is not comprehensive, the enterprise did not pay attention to. As some coal mine accident, up to 3 000 million in economic losses but less than 10 million to get through a thing carelessly. The new environmental law implementation of "continuous daily punishment" policy, increase supervision system, severe cases may involve criminal responsibility, caused enormous damage to the corporate image. This will have to make the enterprise pay more attention to the environmental accounting information disclosure, from the financial statements of the specific disclosure of environmental expenditures, in order to maintain the symmetry of accounting information, strengthen environmental governance.

2. Regulatory diversification, corporate disclosure of information fully

Under the new "environmental protection law", the people's governments at all levels, enterprises and institutions and other production operators and citizens are the main regulatory body. As the main body and the consumer, the citizen directly affects the performance of the enterprise, which makes the enterprises have to strengthen the information disclosure of the environmental expenditure and ensure the integrity and authenticity of the information. Only by public recognition, in order to obtain more profits. In addition, the open-air coal industry, for example, many companies have responded to the new environmental protection law, the call, the name of the public pollution, emissions, emission concentration and other information. (two) analysis of environmental information disclosure of other coal enterprises

China's environmental accounting information disclosure is mainly based on the report of the board of directors, major events, social responsibility reports and, online newspapers. According to the data from year 2010 to 2015, we can see that 100% of the companies will disclose environmental information, but in a certain amount, form and quality gap. Through the comparison and analysis of the data from 2010 to 2015, companies are gradually aware of the importance of environmental accounting

information disclosure. The following is an example of the environmental accounting information disclosed in the annual report:

In the 2010 annual report, there is no mention of environmental accounting in the project, in the annual report in 2011, only the energy Limited by Share Ltd to take this way to disclose. The company's pollutant emissions are lower than the national standards, and has never been an environmental pollution accident. In 2012, invested about 14000000 yuan, the purchase of energy-saving motor, inverter, water supply, power supply system and winch electric control system transformation. Environmental protection investment amounted to about 23000000 yuan, of which investment in pollution control facilities of \$4 million 300 thousand, nearly 20 million yuan investment in ecological management projects for environmental protection projects invested more than 75 million yuan. 2014, the company invested 1 million 846 thousand and 900 yuan for the collapse of the area of governance, a total of subsidence area of 51.37 square kilometers. And adopts the engineering measures and biological measures of governance, the windbreak and sand fixation, water conservation, soil improvement, prevention of geological disasters, the local environment has been improved. The running state of 2015 dust removal facilities, operating costs 300 thousand yuan; coal washing wastewater achieves a closed cycle; mine water for underground grouting, fire, dust, green, no discharge. 2015, the company invested 8 million 18 thousand and 900 yuan for the West Open-pit Mine

4. New Environmental Protection Act Perfect Corporate Disclosure of Environmental Accounting Information Proposals

(A) from the legislative point of view, as close as possible to the greatest degree of refinement

As the basic law, the new environmental protection laws just raised the requirements for the disclosure of environmental information from the General, if you want to play on the effectiveness of environmental accounting, or should they create for more specific rules in the field of accounting norms, as much as possible the information quantitatively. Meanwhile, uniformity of environmental accounting information disclosure in the report, disclose the minimum ratio. This not only makes the enterprise more clearly how disclosure of financial staff, also benefit more intuitive information users quickly find information, and make effective decisions.

(B) from a law enforcement point of view, the relevant government departments should ensure strict enforcement of

As implementation of the new environmental protection laws stand, through interviews with local governments, such as the Environmental Protection Department has achieved some success, but limited sectors binding, local governments are really long-term implementation of the relevant provisions of the Treaty on request, still deserves further observation. In order to ensure the effectiveness of new environmental laws, improve the quality and credibility of information disclosure, the various relevant

government departments should strictly implement the basic law, strengthen law enforcement officers the power to improve the "inverted pyramid" structure, and strengthening communication between the Environmental Protection Department and other departments and contacts. In addition, you also need to ensure that the citizen's right of supervision proceedings, enhancing public participation and awareness of environmental accounting.

(C) from a business perspective, and should strengthen the training of financial personnel-related knowledge

With environmental issues becoming more intense, information disclosure is the companies will have to face the problem. Enterprises can organize regular training of financial personnel, can enhance knowledge, improve professional quality, but also ensured the proper disclosure of environmental accounting, Enterprise for the importance of environmental issues, so as to establish a good corporate image, attract more customers, increase economic efficiency and ultimately realize the enterprise's development and progress.

5. Conclusion

All in all, the influences of the new environmental protection law will remain to be seen in the future. But

financial statement disclosure of environmental information, it has a certain effect. In the course of specific law enforcement, law enforcement departments should strictly enforce the law, strengthen supervision. Enterprises should also strengthen training on environmental accounting, environmental accounting emphasis. Only various combined to make full disclosure of environmental expenditures of enterprises, promote sustainable economic development, new environmental protection law more effective.

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ⁱ This is entrepreneurship innovation projects that the new environmental law was enacted before and after comparison of environmental expenditures of enterprises--in Inner Mongolia as an example of G201612026035 and sun-bird project tyn2016268 phases.