

Reverse Environmental Performance After Revocation Of PSAK 32 Forestry Accounting In Indonesia

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Abstract

This research generally aims to provide empirical evidence that there is an influence on environmental liability after revocation Statement of Financial Accounting Standards (PSAK) 32 on forestry by 15 Indonesian companies in 2007- 2013. The motivation of this study is that there is a change in the regulations on environmental disclosure, so there government regulations are binding on the level of disclosure of environmental information in Indonesia. The results shows that there is no difference and increase the level of environmental disclosure after the lifting of PSAK 32 on forestry companies in Indonesia, and there is a difference and a significant reduction in the environmental cost allocation forestry companies in Indonesia after revocation of PSAK 32, Accounting for Forestry. These findings confirm that environmental disclosure could be increased, but not accompanied by an increase in the allocation of environmental costs, so the researchers wanted to prove despite increased level of environmental disclosure, but not accompanied by the allocation of environmental costs decreased after the change in regulations in Indonesia

Keywords: Environmental Performance, Revocation Statement of Financial Accounting Standards (PSAK) 32 Accounting for Forestry, Environmental Disclosure Level, Environmental Cost Allocation.

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1. Introduction

Deforestation or illegal logging in Indonesia has caused enormous ecological impact for Indonesia and the world. Indonesia has 10% of the world's tropical forests remaining. Native Indonesian natural forest area shrank at a pace that is very worrying. Until now, Indonesia has lost 72% of its original forest. Deforestation Indonesia uncontrolled for decades and caused shrinkage of tropical forests on a large scale. Deforestation in Indonesia is still relatively high from year to year. The growth of the forestry sector very rapidly and move exports to the economy has been the expense of forests because of uncontrolled exploitation activities and conducted on a massive scale without regard to aspects of conservation and sustainability. The pressure of the Forest Tenure (HPH) and industrial timber estates (HTI) to exploitation of natural forests have decreased compared to previous years. Poor performance of HPH and HTI is no escape from the weak performance of the management of forests in terms of monitoring and supervision by the government. Until the end of 2007, the pace of development of HTI for 10 years amounted to only 156 thousand ha per year and over the last 60 years, forest cover in Indonesia decreased from 162 million ha to only 88.17 million ha in 2009. Or the equivalent of approximately 46.3 percent of the total land area of Indonesia (Indonesia, 2002).

Social responsibility and corporate environment becomes very important for the sustainability of the company. With changes in communities or stakeholders who are able to exercise control over the development of social and environmental information, the management company is required to conduct environmental disclosure and provide environmental cost allocation in the annual report of the company, which in this case will affect the performance and regulatory environment namely Standards Financial Accounting (PSAK) 32 on forestry accounting.

SFAS revocation plan regulating specific industries, one of which is the PSAK 32, Accounting for Forestry. This is confirmed by the issuance PPSAK No. 1, 2009, on March 31, 2009 by DSAK-IAI. Government regulatory changes in forestry because it is seen existing regulations do not provide incentives for employers to invest in forestry. Liabilities to social and environmental responsibility through the notes to the financial statements in the annual report the company is expected to encourage forestry companies to achieve better environmental performance, due to the better and formulated comprehensive environmental information companies will establish the company's reputation and build investor confidence. Therefore, disclosure of corporate environment

is required by investors in making decisions about the risks and benefits of investment (Ridwansyah, 2013).

Revocation of PSAK 32 are potentially void forestry accounting rules for financial reporting periods for 2010 and beyond. While on the other hand, during this period there is a regulation that clearly require application implementation in practice. Ministry of Forestry and then proceed with the preparation of the Financial Reporting Manual Production Forest Utilization and Forest Management (DOLAPKEU-PHP2H) passed the Regulation of the Minister of Forestry No. P.69 / Menhut-II / 2009. Revocation of PSAK 32 The major impact on the financial statements of companies exploiting the forest because the company will record an asset with considerable value in the balance sheet. Income will also be affected by the capitalization process (Martani, 2010).

Seeing such a large impact on the income statement and balance sheet that allows users to experience confusion in reading the report, the disclosure must be made. Companies should disclose the change in accounting principle to the end. Changes in income due to the capitalization should be given an adequate explanation by the management, so as to avoid any interpretation of financial statements (Martani, 2010). In Indonesia, there are regulations governing the social and environmental responsibility. Based on Government Regulation Article 74 of the Limited Liability Company Act No. 40/2007 requires all companies to disclose environmental information disclosure. Regulations on social and environmental responsibility are also contained in Article 3 of Government Regulation No. 74/2012, which in this case social and environmental responsibility is compulsory (mandatory) and the right to conduct exploration of forest products for companies that run their business activities in the field and / or relating to natural resources under the Act. This explanation is supported by the legitimacy theory that provides an alternative answer to the question why the company should disclose information related environmental accounting.

In this study the environmental performance that will be examined is the allocation of environmental disclosure and environmental costs. Based on these major changes, resulting in the absence of binding rules on corporate environmental performance in this case the level of environmental disclosure and environmental cost allocation companies. Environmental disclosure level decreases after the revocation of PSAK 32 to note that social and environmental responsibility will also be decreased. The absence of binding

regulations regarding environmental performance makes the company will only provide information on the current environmental disclosures have good information only. The allocation of environmental costs and declining after the revocation of PSAK 32 feared by the government because the company has not been able to run optimally government regulation 74 No. 40/2007 and No. 74/2012 as well as to social and environmental responsibility for the company and will affect the company's environmental and social performance in this company accountable to the society (social contract) and greatly affect the company's ability to balance diverse interests of stakeholders.

This study is to explore things that are related to the following research question: 'What is the impact of revocation Statement of Financial Accounting Standards (PSAK) 32 on the environmental performance in the forestry company listed in Indonesia Stock Exchange in 2007- 2013? ". Due to the measurement of environmental performance in this case the level of environmental disclosure and environmental cost allocation made by the government, the research generally aims to provide empirical evidence that there is an influence on environmental liability after the revocation of Statement of Financial Accounting Standards (PSAK) 32 on the forestry company listed The Indonesia Stock Exchange in 2007- 2013. It is expected that this study can prove that despite the disclosure of environment looks good, but a search on the allocation of environmental costs decreased, so that the contribution that can be given on this research in practice is that it is not always a good environmental disclosure is accompanied by sacrifice environmental cost allocation of the company.

The remainder of the paper is organized into five additional sections. Section 1 provides background. Section 2 develops a hypothesis, explains variable measurement, and presents our research model which reported on before and after the revocation of PSAK 32 Accounting for Forestry on environmental disclosure and environmental cost allocation of the company. Section 3 describes the sample and documents which support the company's environmental disclosure and environmental cost allocation before and after the revocation of PSAK 32 Accounting for Forestry. Section 4 reports the results of the primary tests and sensitivity analyzes. Section 5 summarizes and concludes.

2. Literature review and hypothesis development

2.1 Literature review

2.1.1 *Revocation Statement of Financial Accounting Standards (PSAK) 32 Accounting for Forestry*

Forestry accounting specificity lies in the type of production load and the presence of plant assets. Reason Financial Accounting Standards Board (DSAK) revoke PSAK 32 Accounting for Forestry is in the context of convergence with IFRS and PSAK 32 for violating the concept of matching principles in the recognition of expenses and HTI in the development does not fit the definition of an asset (Martani, 2010).

PSAK 32 the amortization process during the concession period, and not for the harvest of trees. The amount of the capitalized value does not reflect future economic benefits. This is because if the process of harvesting the block just one year, the cost in the block is still recorded until the end of the concession period. This is not in accordance with the definition of an asset that has a benefit in the future. Amortization until the end of the concession period led to the concept matching principles can not be applied due to the amortization process remain to be done, when the tree is felled tree planting in the second cycle onwards (Martani, 2010). Accounting practices raises the debate with the tax authorities for violating the concept of matching principles and causes the load to be great at the time the company has not received the income as well as in the development of HTI do not reflect future economic benefits (Martani, 2010). Upon revocation of PSAK 32, the Ministry of Forestry and then proceed the process of preparation of the Financial Reporting Manual Production Forest Utilization and Forest Management (DOLAPKEU-PHP2H) passed the Regulation of the Minister of Forestry No. P.69 / Menhut-II / 2009. The application of the guidelines (DOLAPKEUPHP2H) are as follows:

1. Large Impact on forest use the company's financial statements because the company will record an asset with considerable value in the balance sheet.
2. Profit and loss will also be affected by the capitalization process. Companies in the second cycle will record an asset, whereas before charge all costs incurred. These guidelines apply prospectively declared as companies will find it difficult to record the assets previously been charged in the income statement.

Such changes would cause two major changes that need to be observed, namely:

1. The value of plantation assets in the development of value should be. If these guidelines are applied in 2010, then for blocks that are in different years will have a different value of the assets.
2. Balance HTI in the development that has been recorded in accordance with PSAK 32 to be charged to income as losses from changes in accounting principle if nothing else standing crops of the first cycle. If there are plants that are still harvested from the first cycle of planting, if possible classification, which is charged is harvested while the rest remain capitalized and will be amortized following the harvesting process (Martani, 2010)⁷.

Changes in accounting principles that do will cause the value of industrial timber estates (HTI) in development is not as it should be. Imposition of HTI balance in the development of calculated based on PSAK 32 as well in the change should be given a detailed explanation. Changes in income due to the capitalization should be given an adequate explanation by the management, so as to avoid any interpretation of financial statements (Martani, 2010). The company also had to explain that the impact of these changes will affect the financial statements in anywhere. Additional explanation in the form of pro forma financial statements of the impact of the changes will be beneficial if it is presented as additional information provided to the readers of the financial statements (Martani, 2010). A more detailed explanation including environmental disclosure and environmental costs of funding the company will also affect the company's annual report.

2.1.2 Environmental Accounting

Environmental accounting (Environmental Accounting) is a term that is related to the inclusion of environmental costs (environmental costs) to the company's accounting practices or government agencies. Environmental costs is the impact (impact) both monetary and non-monetary to be borne as a result of activities that affect the quality of the environment. According Yakhou & Dorweiler (2004) environmental accounting is:

”Environtmental accounting is an inclusive field of accounting. It provides reports for both internal use, generating environtmental information to help make management decisions on pricing, controlling overhead and capital budgeting, and external use, disclosing environtmental information of interest to the public and to the financial comunity”.

According to the Environmental Protection Agency of the United States or the United States Environment Protection Agency (US EPA) in (Schaltegger & Burritt, 2012). Environmental Accounting are:

"An important function of environmental accounting is to describe the environmental costs in order to be considered by the stakeholders of the company that is able to push in identifying ways to reduce or avoid costs while at the same time being improve environmental quality".

Besides the implementation and development of environmental accounting has some very significant goals on the environment, namely:

1. Accounting for the environment is an environmental management tool. Used to assess the effectiveness of conservation activities based on the summary and classification of environmental conservation costs. The virtue of the use of environmental accounting is the ability to minimize the environmental problems that it faces, with the aim of improving the efficiency of environmental management by assessing environmental activities from the standpoint of costs and benefits.
2. Accounting for the environment as a means of communication with the public. Used to deliver negative environmental impacts, environmental conservation activities and results to the public. Responses and views on environmental accounting from various parties are used as feedback to modify the company's approach to environmental preservation.

Environmental accounting can be applied by large and small companies in almost every industrial scale in the manufacturing and service sectors. In the scope of the scale, environmental accounting can be applied by small and large companies where the application should be done systematically or based on the basic needs of the company. Forms taken must reflect the goals of the user companies

2.2 Hypothesis development

2.2.1 Effect of Revocation Statement of Financial Accounting Standards (SFAS) 32 Accounting for Forestry on Environmental Disclosure

Still diversity of conclusions derived from previous research that explains the relationship between changes in the regulation of environmental performance which in this case is the level of environmental disclosure to encourage the rise of research in this field.

Regulatory changes after the lifting of PSAK 32 will lead to no regulation regarding disclosure of corporate environment. Item environmental disclosure guidelines issued by the Financial Reporting Production Forest Utilization and Forest Management (DOLAPKEU-PHP2H) passed the Regulation of the Minister of Forestry No. P.69 / Menhut-II / 2009 only develop disclosure items PSAK 32 concerning the accounting of forestry, so the disclosure of environmental information is not indicate conditions that should and would negatively affect the reporting of social and environmental responsibility in the company annual report. Issuance of PP Article 3 No. 3 No. 74/2012 concerning the disclosure obligations of social responsibility and environmental companies create enterprise has a responsibility disclosure of environmental information to manage the environment better. However, revocation of PSAK32 will make the management of the company disclose environmental information that are relatively similar to the period before the revocation of PSAK 32.

Legitimacy theory stated that the company's presence in an area as politically supported and guaranteed by government regulations as well as the parliament is also a representation of the community. With the theory of legitimacy, where the company is guaranteed by government regulations that would affect the viability of the company. Environmental disclosure by the company will also have an impact on the continuity of the company, namely: the reputation of the company and the significance of the presence of stakeholders (stakeholders).

Regulatory changes after the lifting of PSAK 32 will lead to no regulation regarding disclosure of corporate environment. Item environmental disclosure guidelines issued by the Financial Reporting Production Forest Utilization and Forest Management (DOLAPKEU-PHP2H) passed the Regulation of the Minister of Forestry No. P.69 / Menhut-II / 2009 only develop disclosure items PSAK 32 concerning the accounting of forestry, so the disclosure of environmental information is not indicate conditions that should and would negatively affect the reporting of social and environmental responsibility in the company annual report. Issuance of PP Article 3 No. 3 No. 74/2012 concerning the disclosure obligations of social responsibility and environmental companies create enterprise has a responsibility disclosure of environmental information to manage the environment better. However, revocation of PSAK 32 will make the management of the company disclose environmental information that are relatively similar to the period before the revocation of PSAK 32.

Reserach Zyglidopoulos (2002) examines the environmental and social responsibility in multinational companies. He argues that multinational companies face a level of environmental and social responsibility higher than the national company, this is due to two mechanisms occurring against the adverse effects of international reputation, and the importance of foreign stakeholders. The study found that managers of multinational companies should be careful in identifying foreign stakeholders, which in this case may have an impact on the environment or social issues. The study also found that the level of social responsibility and environmental multinationals higher risk to corporate reputation as the problem increases if the impact of social and environmental policy. Research Khanna & Anton (2002), examines the environmental management based on regulatory and managerial functions traditionally in the form of incentives. They use the company's environmental protection approach that has evolved from a reactive mode based properties into a more proactive approach involving voluntary management system, which in this case adopting environmental concerns with traditional managerial functions. The study found that the threat to environmental obligations, high compliance costs, market pressures, and public pressure on companies with high emissions per unit of output toxic place creates an incentive to adopt a more comprehensive environmental management (JEL L5, Q2). In the study Lindrianasari (2007) concerning positive and significant relationship between the quality of environmental disclosure on environmental performance, indicating that the company will only provide information on the current environment have good environmental information. Seen when companies have good environmental performance, the company will do well environmental disclosure.

Based on previous studies, the revocation of PSAK 32 accounting forestry cause there are no binding regulations regarding disclosure of corporate environment. Item environmental disclosure guidelines issued by the Financial Reporting Production Forest Utilization and Forest Management (DOLAPKEU-PHP2H) only develop PSAK 32 accounting disclosure items forestry. This indicates that the management company will make disclosure of environmental information companies that are relatively equal in each period. The researchers suggested the first hypothesis is:

Ha1: Revocation Statement of Financial Accounting Standards (PSAK) 32 negative effect on the level of environmental disclosure forestry company listed on the Indonesia Stock Exchange (BEI).

2.2.2 Effect of Revocation Statement of Financial Accounting Standards (SFAS) 32 Accounting for Forestry for Environmental Cost Allocation

Imposition of environmental costs in the product can generate managerial information useful. By charging environmental costs appropriately, it will be known whether a product is profitable or not. So will affect the performance of the environmental and economic efficiency of enterprises. Legitimacy theory is system-oriented management of enterprise favor of the community (society), individual governments and community groups. Based on the underlying theory, allocation of environmental costs the company will be very important to be controlled because it will have an impact on the sustainability of the company, its public image, and of course the interests of the stakeholders of the company.

Changes in regulations after the lifting of PSAK 32 would lead to the allocation of costs within the company in this case the balance of the burden of environmental development in the company's operating expense account shows no appropriate conditions Martani (2010) and will negatively affect the reporting of social and environmental responsibility in the company annual report , Issuance of PP Article 3 No. 3 No. 74/2012 concerning the disclosure obligations of social responsibility and environmental companies make the company has an obligation (not only disclosure) which in this case allocation of environmental costs of managing the environment is getting better. However, revocation of SFAS 32 will make the management of the company revealed the allocation of environmental costs is relatively equal or lower than the period before the revocation of PSAK 32.

Another study conducted by Shrivastava (1995), explained the concept of 'environmental technology' as a competitive force and a tool for competitive advantage. Environmental technologies offer new substantive orientation and management processes to minimize the ecological impact of economic production and increase the competitiveness of enterprises. The study found that the impact of environmental technologies on production costs vary from industry to industry. Environmental technology also affects many strategic variables, such as economies of scale, the energy intensity of production, production efficiency, the legitimacy of the company, and the public image . Klassen & McLaughlin (1996) examined the impact of environmental management on the performance of the company. In particular, strong environmental performance or good will positively affect the company's financial performance and

conversely, weak environmental performance would adversely affect the company's reputation. Another effect is that strong environmental performance will be the reinforcement of the positive financial performance that is based on the financial markets for the industry were "clean" as well as strong environmental performance will increase the value of the company. McGee (1998) examines the company's strategy and regulatory environment. The results showed that the new management strategy, namely, the operational company dealing with the natural environment will affect the company's strategy. Corporate strategy and environmental regulations governing the environmental regulations and corporate strategy into a new managerial framework. They developed a resource-based view of the interaction between resource companies (core competency) and environmental regulations, including the implications for the development of the ability of strong corporate environmental performance.

Based on previous studies, the lifting of the PSAK 32 accounting forestry led to the allocation of costs within the company shows the actual condition, so it will negatively affect the allocation of environmental costs in each period. Environmental cost allocation companies will be very important to be controlled because it will have an impact on the sustainability of the company and the interests of the stakeholders of the company. Thus, the revocation of PSAK 32, indicating that there are no binding rules on cost allocation of the company and a decrease in the allocation of environmental costs companies each period which affects the breach of the social contract of the company. The researchers propose the second hypothesis is:

Ha2: Revocation Statement of Financial Accounting Standards (PSAK) 32 negative effect on the level of environmental cost allocation forestry company listed on the Indonesia Stock Exchange (BEI).

3. Methodology

3.1 Research Design, Population and Sample

3.1.1 Research Design

3.1.1.1 Environmental Performance

Environmental performance assessment in this study consisted of environmental quality that is proxied by the level of environmental disclosure and environmental funding proxied by the allocation of environmental costs.

3.1.1.2 Environmental Disclosure Level

Environmental disclosure is used to disclose accounting data information environment from the standpoint of the internal functions of the accounting environment itself, in the form of environmental accounting report. Environmental disclosure is measured by the proportion of the disclosures made to those required by IAS 32. The calculation of environmental disclosure using disclosure index. Disclosure index is the result of the division between the scores of disclosures that have been achieved with a total maximum value that may be achieved (content analysis).

3.1.1.3 Environmental Cost Allocation

This study uses two indicators in controlling the allocation of environmental costs of the company, namely: through posts in the category of environmental costs (qualitative) issued by IFAC (2013) and analyzed the allocation of environmental costs on account operating expenses, the burden of the development of the social environment in the record forestry company financial statements (quantitative). IFAC (2013) provides details of environmental costs according to six categories of reporting costs, which in this case gives two important results, namely the environmental impact on the profitability and the relative amount spent on each category. The posts in the category of environmental costs by IFAC (2013), formulate environmental cost allocation as follows:

$$\frac{\text{Amounts reported in year } n \times 100\%}{\text{Net Income } t-1}$$

3.1.2 Sample Selection

The sample used in this study were 15 forestry companies listed on the Indonesian Stock Exchange (BEI). Companies selected sample of the population of public companies on the Stock Exchange and based on the availability of data to calculate the variables described previously. The study period was from 2007 to 2013.

3.2 Data Collection Method

The sample used in this study were 15 forestry companies listed on the Indonesian Stock Exchange (BEI). Companies selected sample of the population of public companies on the Stock Exchange and based on the availability of data to calculate the variables described previously. The study period was from 2007 to 2013.

3.3 Plan For Data Analysis

3.3.1 Independent Sample T-Test

To test independent sample t-test was used on normally distributed data to test whether there is a statistically significant effect of better environmental performance of forestry companies listed on the Stock Exchange through environmental disclosure and environmental costs revocation period after PSAK 32.

3.3.2 Sensitivity Analysis

The sensitivity analysis is an analytical function to see effects that will occur as a result of circumstances that are changing the parameters. Testing sensitivity analysis was used to test whether there are significant due to the issuance of Government Regulation No. Article 74 of the Limited Liability Company 40/2007 and Government Regulation No. Company Limited Article 3 74/2012 on social and environmental responsibility for the company before and after the revocation of Statement of Financial Accounting Standards (PSAK) 32 Accounting for Forestry.

4 Results and Discussion

4.1 Results

4.1.1 First Hypothesis Testing

The first hypothesis reads there is a negative effect of the revocation of Statement of Financial Accounting Standards (PSAK) 32 Accounting for Forestry at the level of environmental disclosure. Statistical test results independent sample t-test can be seen that the value of 0.175 significance testing at the level (α) of 5%. It shows that the p-value is greater than alpha so H_0 rejected. Statistically, H_0 received so H_1 not supported on the test results. Therefore, it can be concluded that there is no difference and significant influence on the environmental performance of forestry companies through environmental disclosure level. These results indicate that the level of environmental disclosure forestry companies listed on the Stock Exchange is relatively the same positive effect and increased significantly in the period after the revocation of PSAK 32.

4.1.2 Second Hypothesis Testing

The first hypothesis reads there is a negative effect of the revocation of Statement of Financial Accounting Standards (PSAK) 32 Accounting for Forestry and allocation of environmental costs. Statistical test results independent sample t-test can be seen that the

value of the significance test of 0,019 on the level (α) of 5%. It shows that the p-value is smaller than the alpha so H_{a2} accepted. Statistically, H_0 is rejected so H_{a2} supported the results of the test. Therefore, it can be concluded that there is a difference and significantly negative effect on the company's environmental performance forestry through environmental cost allocation periods before and after the application of PSAK revocation 32. These results indicate that the environmental cost allocation forestry companies listed on the Stock Exchange has decreased significantly in period after the revocation of PSAK 32.

4.1.3 Sensitivity Analysis Environmental Disclosure

Here is an explanation chart disclosure forestry enterprise environment:

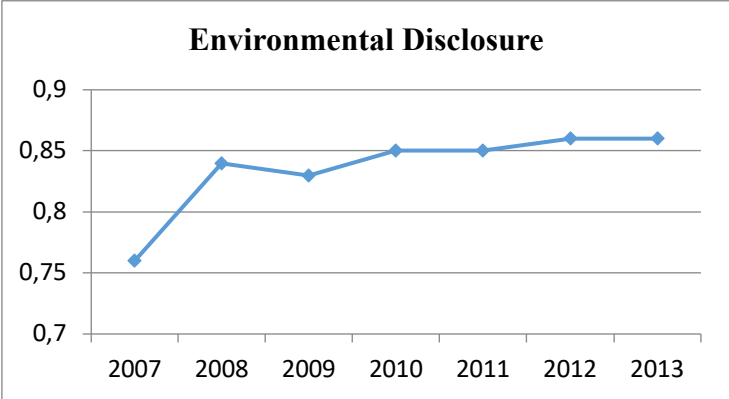


Figure 1. Environmental Disclosure

These results indicate that the 2007-2013 allocation of environmental costs have increased. In the years 2007-2008 shows that the level of environmental disclosure environment has increased in this case is the period prior to the revocation of IAS 32 accounting forestry. This increase occurred because there is Article 74 of Regulation No. 40/2007 regarding social responsibility and is mandatory for liability company.

4.1.4 Sensitivity Analysis of Environmental Cost Allocation

Here is an explanation of the environmental cost allocation chart forestry companies:

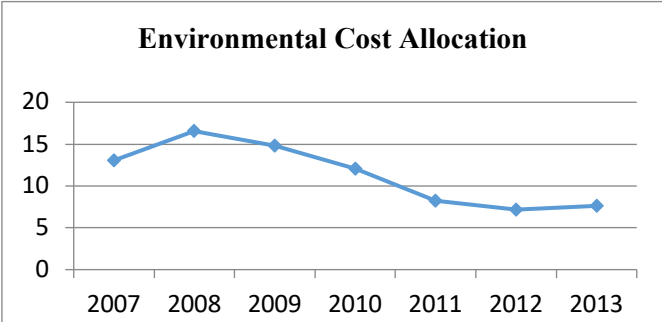


Figure 2. Environmental Cost Allocation

These results indicate that the 2007-2013 allocation of environmental costs fluctuate. In the years 2007-2008 shows that the allocation of environmental costs have increased which in this case is the period prior to the revocation of PSAK 32 accounting forestry. This increase occurred because there is Article 74 of Regulation No. 40/2007 regarding social responsibility and is mandatory for liability company.

4.2 Discussion

4.2.1 First Hypothesis Testing

Based on the results of tests conducted by researchers of environmental performance through environmental disclosure is the positive effect that has increased significantly and relatively equal in the period before and after the revocation of PSAK 32. It can be seen through the average (mean) value of environmental disclosure prior to the revocation of PSAK 32 that 0.8089 lower than after the revocation of PSAK 32 with an average value of 0.8467. This marks the company can meet the level of social and environmental responsibility are regulated PP Article 74 No. PP 40/2007 and Article 3 No. 74/2012 as well. In 2007, there are some companies that do not express the environmental disclosure items in the annual report of the company. However, in 2012-2013, some forestry companies already disclose environmental disclosure items types of roads built in the current period and its accumulation in the annual report.

The results of this environmental disclosure makes the company easier to account for environmental and social performance to the community and this greatly affect the company's ability to balance diverse interests of stakeholders or stakeholder. In statistical test results through independent sample t-test can be seen that the value of the significance test of 0.175, indicating that there is no statistically significant difference in environmental performance through environmental disclosure but there is an increasing environmental disclosure in forestry company before and after the revocation period PSAK 32. The results of this study may prove more clearly and quantitatively detailed disclosure of the research environment for this is misleading.

4.2.1.2 Second Hypothesis Testing

From the results of hypothesis testing is done, the average environmental performance through the allocation of environmental costs in forestry companies have negative effect is decreased and there is a significant difference after the revocation of PSAK 32. It can be seen from the average (mean) value of the environmental cost

allocation before revocation of PSAK 32 ie 14.8256 higher than after the revocation of PSAK 32 that the standard deviation value of 8.7617. This marks the company can not meet the level of social and environmental responsibility are regulated PP Article 74 No. PP 40/2007 and Article 3 No. 74/2012 as well.

The results of this environmental cost allocation makes it difficult for the company to account for environmental and social performance to the community and this greatly affect the company's ability to balance diverse interests of stakeholders or stakeholder. In statistical test results through independent sample t-test can be seen that the value of the significance test of 0.019, indicating that there is a statistically significant difference in environmental performance through the allocation of environmental costs in forestry company before and after the revocation period IAS 32. The results of the environmental cost allocation rate decreases This significant feared by the government because the company has not been able to run optimally Government Regulation Article 74 No. 40/2007 and Article 3 No. 74/2012 as well as to social responsibility and liability company.

In 2007, there were several companies that disclosure of items of research and development costs and the costs of prevention and environmental management. The annual report on the company. However, in 2012-2013, some forestry companies do not disclose the cost of the item and the cost of research and development of prevention and environmental management in the annual report.

4.2.3 Sensitivity Analysis Environmental Disclosure

In 2012 there were significant changes or improvements to the environmental disclosure in this case in that there are PP Article 3 No. 74/2012 regarding social responsibility and as an affirmation of PP Article 74 No. 40/2007 regarding social responsibility and mandatory and there is exploration of forest products in accordance with applicable regulations. In addition to government regulation based on the above, there is a change in environmental disclosure items in IAS 32 Accounting for Forestry is the type of item that was built in the current period and accumulation. In 2007, there are some companies that do not express the environmental disclosure items in the annual report of the company. However, in 2012-2013, some forestry companies already disclose environmental disclosure items types of roads built in the current period and its accumulation in the annual report.

4.2.4 Sensitivity Analysis of Environmental Cost Allocation

In the years 2009-2012 shows that the allocation of the cost of environmental decline occurred in this case because in that period was a transition period of revocation of PSAK 32. In 2012 there were no significant changes or improvements to the allocation of environmental costs in this case in that there Government Regulation Article 3 No. 74/2012 regarding social responsibility and as an affirmation of PP Article 74 No. 40/2007 regarding social responsibility and compulsory (mandatory).

In addition to government regulation based on the above, there are also changes in the allocation of items on the environmental costs by IFAC (2005) that the item costs of research and development as well as prevention and environmental management costs. In 2007, there were several companies that disclosure of items of research and development costs and the costs of prevention and environmental management. The annual report on the company. However, in 2012-2013, some forestry companies do not disclose the cost of the item and the cost of research and development of prevention and environmental management in the annual report.

5. Conclusion

This study analyzes the influence of the environmental performance of forestry companies listed on the stock exchange prior to and after the revocation of statement of financial accounting standards (PSAK 32 accounting for forestry. This study aims to determine whether there is any difference, influence and improved environmental performance of forestry companies are getting better after revocation statement of financial accounting standards (PSAK) 32 accounting for forestry.

Based on the results of tests carried out by researchers of environmental performance through environmental disclosure is the positive effect that has increased significantly and relatively the same in the period before and after the revocation of PSAK 32. This can be seen through the average (mean) value of environmental disclosure prior to the revocation of PSAK 32 0.8089 lower than that after the lifting of PSAK 32 with an average value of 0.8467. The statistical results strong enough reason for us to draw the conclusion that the level of disclosure for the same relative environment indicates that the revocation of statement of financial accounting standards (PSAK) 32 positive effect on the level of environmental disclosure forestry company listed on the indonesia stock exchange (BEI). This marks the company can meet the level of social and environmental responsibility are regulated PP article 74 no. PP

40/2007 and article 3 no. 74/2012 as well. The results could prove more clear and detailed quantitative disclosure of the research environment for this to be misleading.

From the results of hypothesis testing is done, the average environmental performance through the allocation of environmental costs on the negative impact that forestry companies has decreased and there is a significant difference after the revocation of PSAK 32. It can be seen from the average (mean) value of the environmental cost allocation before namely revocation of PSAK 32 14.8256 higher than after the lifting of PSAK 32 that the standard deviation value of 8.7617. Differences and decrease the environmental cost allocation shows that the revocation statement of financial accounting (PSAK) 32 negatively affect the allocation of environmental costs forestry company listed on the indonesia stock exchange (BEI). Environmental cost allocation results decreased significantly it is feared by the government because the company has not been able to run optimally PP article 74 no. PP 40/2007 and article 3 no. 74/2012 as well as to social responsibility and liability company.

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