

Environmental Accounting Analysis in Palm Oil Plantation Industry Ratified Law No.39/2014 on Plantation

¹Alexander Candra, ²Itjang D. Gunawan, ³Adler H. Manurung, ⁴Toto Rusmanto
Doctorate in Accounting, Trisakti University, Jakarta
Corresponding Author: ¹Alexander Candra

Abstract: *This study aims to analyze the issue of environmental damage to the current plantation industry, analyze the relationship of Law No.39 of 2014 with Plantation with environmental accounting records, Indonesian Sustainable Palm Oil (ISPO) relationship with the Principles of academic paper Environmental Accounting, Environmental Accounting Analysis of several countries , And draft the Principal of Academic Paper of Environmental Accounting to support the Environmental Accounting Act. This research design uses qualitative method with social science approach (CSS). Doing a closed questionnaire, open questionnaire, Observation and Triangulation. Sources of data used in this study are primary and secondary data. For data processing tools use statistics descriptive. The results of this study found that environmental damage in the oil palm plantation industry is now severe, the relationship of Law No.39 of 2014 with Plantations on Environmental Accounting records, and the relationship of Indonesian Sustainable Palm Oil (ISPO) with the principal academic script on Environmental Accounting. To overcome environmental damage to Palm Oil Plantation Company, it is necessary to have a Law on Environmental Accounting that can regulate the process of recording Environmental Accounting. In proposing an Environmental Accounting Act, it is necessary to support the scientific study of academic texts on environmental accounting*

Keyword: *Environmental Accounting, Law, Indonesia Sustainable Palm Oil (ISPO), Industrial Oil Palm Plantation and academic paper*

Date of Submission: 24-10-2017

Date of acceptance: 09-11-2017

I. INTRODUCTION

World Resources Institute (WRI) places the problem of tropical forest destruction from deforestation as a major environmental problem in Indonesia by 2016 due to tropical forest fires for the expansion and development of the Palm Oil Industry. The Environmental Quality Index (IKLH) is an achievement of environmental efforts towards sustainable development in Indonesia. Achievement of Environmental Quality Index (AEQI) in 2014 amounted to 63.42% (Ministry of Forestry RI, 2014). It is expected that in the coming year it will increase up to 66.5 - 68.5% in 2019 according to the Ministry of Environment RI. Environmental damage caused by humans is even greater and more dangerous than environmental damage caused by natural disasters. This is considering the environmental damage of the oil palm plantation industry that can occur continuously. Some of the challenges behind the rapid development and high utilization of these problems and issues raised negatively on the oil palm plantation industry, among other land conflicts that occur between oil palm companies and communities, biodiversity damage, pressure from developed countries, such as America by blowing the issue of environmental damage . The environmental damage caused by forest fires for plantation land clearing by irresponsible parties is the object of attacks by developed countries and NGOs, on the pretext of causing the increase in Greenhouse Gases (GHG). Greenhouse gas emissions can then be identified as potential impacts on global warming, climate change, eutrophication, acidification, and human health. In addition to the problems and the negative issues of developed countries also set a standard reduction of greenhouse gas (GHG) emissions using renewable energy resources when compared with fossil fuels so that Indonesia could market it to their country. The European Union sets 2017 that renewable energy resources should be able to reduce greenhouse gases by 35% (The European Parliament and of the Council, 2009) and the United States set at 20% (EPA, 2011). Indonesia is currently the third largest country in the world to emit greenhouse gas emissions that harm the climate where 85% of the gases are generated by land cultivation mostly done by logging tropical rainforests and destruction of peatlands for the Palm Plantation Industry Greenpeace, 2010). The agricultural sector is the most important part of Indonesia's economic activity, especially since the agricultural sector generates non-oil and gas foreign exchange through export channels. This can be seen from the

data of the Ministry of Agriculture which states that the utilization of agricultural land in Indonesia each year has increased, both for agricultural activities and plantations. Not only that, according to the Indonesian Palm Oil Association in 2013 the agricultural sector is also able to absorb 38% of the workforce and contribute 13% in the Indonesian economy, especially the oil palm plantation industry. In Indonesia, the palm oil industry needs to be developed as the main products for export are Crude Palm Oil (CPO) and Palm Kernel Oil (PKO). The reason is that the increase in export volume of Crude Palm Oil (CPO) and Palm Kernel Oil (PKO) and its derivatives can be a savior of national trade balance that continues to deficit, it is necessary to balance the imported goods. The marketing of production from the palm oil plantation industry is prioritized for domestic consumption and the rest for export to Asian and European countries. According to data from the Association of Indonesian Oil Palm Plantation (GAPKI), so far the export has become a bearing for the national trade balance deficit. The contribution of palm oil and its derivatives in the export structure is very large, which is about 13% of the total Indonesian exports. To see the marketing of the first CPO products are the countries of India, Malaysia, and China became the largest consumers. For that purpose, the breakdown of the list of CPO importing countries can be seen in Table 1.1 below.

Table 1.1
Export CPO Country of Destination (2000 - 2014)
(net weight of thousands of tons)

No.	Country of Destination	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
1	Chinese	-	-	482.80	800.40	1 083.8	1 354.6	1 758.6	1 441.1	1 766.9	2 645.4	2 174.4	2 032.8	2 842.1	2 343.4	2 357.3
2	Singapura	-	-	371.50	339.20	396.60	467.10	631.60	624.50	600.90	659.90	696.80	737.20	952.10	844.00	789.10
3	Malaysia	-	-	405.00	367.70	572.80	621.40	660.50	382.70	745.50	1 195.7	1 489.7	1 532.6	1 412.3	514.30	566.10
4	India	1 639.1	1 519.8	1 766.6	2 274.3	2 761.6	2 558.3	2 482.0	3 305.7	4 789.7	5 496.3	5 290.9	4 980.0	5 253.8	5 634.1	4 867.8
5	Pakistan	15.10	96.40	269.40	287.20	537.30	850.20	835.00	788.10	409.70	214.60	90.30	279.20	749.10	1 080.3	1 814.8
6	Bangladesh	-	-	220.90	222.30	260.90	412.70	466.00	520.20	506.80	800.50	771.20	804.90	743.50	655.40	1 043.3
7	Sri Lanka	-	-	13.10	12.00	40.60	308.70	445.00	246.60	48.40	5.80	12.70	25.40	10.80	29.40	38.90
8	Egypt	-	-	85.40	77.20	78.40	151.30	476.20	408.50	495.90	497.20	488.70	790.70	494.10	735.50	1 010.3
9	Netherlands	593.60	699.90	997.70	580.70	799.60	1 101.1	1 212.2	829.30	1 295.9	1 364.3	1 197.3	873.00	1 358.3	1 361.4	1 218.9
10	German	145.60	205.70	200.70	184.40	247.20	340.40	365.50	504.90	404.80	461.50	379.30	263.60	219.50	283.10	186.50
11	Italy	28.90	60.60	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Kenya	3.50	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	United States	21.10	2.40	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Canada	1.70	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	English	11.80	2.40	-	-	-	-	-	-	-	-	-	-	-	-	-
16	Japan	10.20	9.40	-	-	-	-	-	-	-	-	-	-	-	-	-
17	Others	1 639.4	2 306.6	1 520.6	1 241.0	1 882.8	2 210.4	2 768.3	2 823.8	3 226.2	3 488.0	3 700.6	4 116.8	4 809.4	7 097.1	8 999.4
	Total	4 110.0	4 903.2	6 333.7	6 386.4	8 661.6	10 376.2	12 100.9	11 875.4	14 290.7	16 829.2	16 291.9	16 436.2	18 845.0	20 578.0	22 892.4

Source: National Statistics (2016)

Table 1.2 shows that European states, such as Germany and the Netherlands, are fluctuating. The declining or decreasing trend for CPO imports from Indonesia may cause the price of CPO to decline, as it reduces the demand for CPO products from Indonesia. The growth of land for cultivation of palm oil every year is increasing sharply and the utilization of lands originally for primary forest is now made for oil palm plantations due to the diversification of production for biodiesel production. The area of oil palm cultivation from 1995 to 2013 grew very rapidly, starting from 1996-1997 which reached 216% growth, but stagnated growth by the end of 2011--2013 by 110% (National Statistics Jakarta, 2014). Based on the background, the Roundtable on Sustainable Palm Oil (RSPO) certificate was issued in Europe which aims to overcome the environmental damage caused by the oil palm plantation industry. The RSPO is a non-profit association that brings together stakeholders from the seven sectors of the palm oil industry, namely palm oil producers, processors or palm oil traders, consumer goods manufacturers, retailers, shops, financial institutions such as banks and investors. The idea began in 2001 through the non-profit international organization, Worldwide Fund for Nature (WWF) which began exploring the idea of a roundtable for sustainable palm oil, initiated by Aarhus United UK Ltd, Golden Hope Plantations Berhad, Migros, Malaysian Palm Oil Association, Sainsbury's and Unilever with Worldwide Fund for Nature (WWF) took place in 2002. From this idea, the Roundtable on Sustainable Palm Oil (RSPO) can be formally established to promote the growth and use of sustainable palm oil products through credible global standards and engagement stakeholders. With this view, the RSPO is proactively engaged with oil palm farmers, palm oil processors, companies, retailers, NGOs and investors to work towards a globally responsible, socially responsible, socially responsible and sustainable supply of palm oil. Sustainability, as formulated by the World Commission on Environment and Development (WCED) in 1987, is "Development that meets current needs without compromising the ability of future generations to meet their needs" (Plummer, 2005). Law No. 18 of 2004 on Plantation and Roundtable on Sustainable Palm Oil (RSPO), finally

establishes Indonesian Sustainable Palm Oil (ISPO). The Indonesian Sustainable Palm Oil System (ISPOS) is a certified environmental sustainability policy, especially for oil palm plantation companies. As a follow-up and implementation guideline the Ministry of Agriculture issued Regulation of the Minister of Agriculture No. 19 / Permentan / OT.140 / 3/2011 on Guidelines for Indonesian Sustainable Palm Oil (ISPO) on 29 March 2011. Palm oil plantation industry is mandatory or obligation to carry out environmental maintenance and must perform environmental accounting activities. This concept is in the RSPO and ISPO consisting of 8 principles and 39 criteria of Sustainable Palm Oil Industry that is able to fulfill 3 variables, namely biophysical (planet), economy (profit), and social (people) (Dja'far et al, 2005). Environmental problems do not stand alone, but always closely related to moral hazard consequently the impulse to gain profit (profit). The linkage between problems with each other is due to a factor being the cause of various problems, a factor having different effects and the interaction between the various problems and the resulting impact is cumulative (Soedradjad, 1999). The existence of moral hazard among the Palm Oil Industry because the price to pay for any environmental damage it makes is not as big as when compared with the benefits it achieves by doing environmental degradation aimed to be fast and cheap by stakeholder. Meanwhile, the partner-managed Roundtable Sustainable Palm Oil (RSPO) system may have many shortcomings, emphasizing that there are several tangible alternatives that have succeeded in addressing this type of sustainability problem. In addition, the partner-managed Roundtable Sustainable Palm Oil (RSPO) system has many limitations, costs and expertise in the environmental field. Given the Environmental Accounting Act has the potential to raise awareness about public concerns about environmental degradation. Nevertheless, one of the efforts for accounting to overcome the impact of environmental damage by creating a clearer Environmental Accounting rules, and firm in its disclosure. Solomon and Lewis, quoted by Lungu et al. (2009), the company discloses environmental activities due to the company's need for community recognition of their commitment to environmental improvement efforts. For some other companies, this disclosure effort is just a way to improve the company's image. Negash (2009) discloses that companies basically report their environmental activities in order to demonstrate the image as an environmentally friendly company, while their activities are quite sensitive to impression management. Not only that, in the field of accounting also play a role in efforts to conserve the environment, namely through voluntary disclosure in its financial statements associated with environmental accounting. The main issue of this research is the case study on the Palm Plantation Industry company in order to draw up a draft of supporting academic texts to make the Law on Environmental Accounting. As for drafting the main draft of the Academic Draft Bill on Accounting by way of through 3 (step questions as follows;

1. How is the issue of environmental damage at the moment related to the plantation industry?
2. How is the relationship of Law No. 39 of 2014 on Plantations with Environmental Accounting Records

II. Literature Review

2.1. Theoretical Basic

The environmental damage caused by the Palm Oil Industry has a direct impact on human life, social and ecosystem balance. In 2004, the United Nations High Level Threat Panel, Challenges and Change, included environmental degradation as one of ten threats to humanity. The World Risk Report released by the German Alliance for Development Works (Alliance), United Nations University's Institute for Environment and Human Security (UNU-EHS) and The Nature Conservancy (TNC) in 2012 also mentioned that environmental damage to be one important factor that determines the height low disaster risk, global climate change, human health around, and air pollution. The environment in this study is a combination of physical conditions including the state of natural resources such as land, water, solar energy, minerals, and flora and fauna that grow on land and at sea, with institutions that include the creation of human beings as decisions on how to use the environment physical. The cause of natural damage caused by human activities is the highest cause and very influential than natural factors that happen not every day. Many developed countries have paid special attention to the destruction of nature which has resulted in the changing global climate, such as illegal forest pilot and then made into palm oil plantation industry. Accounting principles are described in the purpose of financial statements, accounting postutat, and theoretical concepts of accounting, as well as the basis of technical development or accounting procedures used in preparing financial statements. Principles Generally Accepted Accounting Principles (GAAP) provide information to parties outside the organization or within the organization. According to Fess and Warren (1990) financial accounting information presented in accordance with GAAP is primarily addressed to external parties but also useful for management to direct the company's operations.

This study uses the following concepts and theoretical foundations;

2.1.1 Theory of legitimacy.

This theory becomes the foundation of Law No. 18 of 2014 on plantations, namely the constitution is the implementation of compliance to the cost of environmental control, environmental development, and environmental costs must be regulated in the Environmental Accounting Act. According to this theory a company that operates with the permission of the community, at any time the permit can be withdrawn if the public judges that the company does not do things that are required to him. In this theoretical basis Environmental Accounting is seen as an obligation or obligation that is agreed between the company, the public and the State. For that required legitimacy of a rule that regulates Environmental Accounting. To that end, the community has granted the company permission to use its natural and human resources and permits to exploit its natural resources or production function Donaldson (1983) and Balbanes et. al (1998).

2.1.2 Stakeholder Theory

This theory is concerned with stakeholders because the oil palm plantation companies will have environmental impacts and the oil palm plantation companies that through their various policies and operating activities have an impact on various stakeholder groups, so companies may get demands from these groups for fulfilling his responsibilities Bucholz (1998), Mc Williams and Siegel (2001)). This theory focuses on the importance of considering the interests, needs, and influence of various parties related to the company's policies and operations, especially in terms of corporate decision-making for the environment, especially in the oil palm plantation industry that impacts the wider community.

2.2 Roundtable on Sustainable Palm Oil (RSPO)

The Roundtable on Sustainable Palm (RSPO) was established in 2001 in the Netherlands, a nonprofit association organization that brings together stakeholders from seven sectors of the palm oil industry, namely palm oil producers, processors or palm oil traders, consumer goods manufacturers, retailers, banks and investors, non-governmental organizations (NGOs) of environmental conservation or nature conservation. Roundtable on Sustainable Palm Oil (RSPO) with stakeholders aims to develop and implement global standards for sustainable palm oil. Roundtable on Sustainable Palm Oil (RSPO) oversees the certification system, maintains the entire supply chain of sustainable palm oil products, regulates marketing, and ensures that companies accurately inform consumers that their production uses sustainable palm oil. The principles of the eight Roundtable on Sustainable Palm Oil (RSPO) can add sustainable environmental costs to oil palm plantation companies, while for the state of Indonesia under Law No. 18 of 2004 Article 2 on plantations cited: "Plantations organized based on the principle of benefit and sustainable development, cohesion, solidarity, openness, and fairness oil"

2.3. Indonesian Sustainable Palm Oil (ISPO)

The history of environmental certification prior to the Indonesian Sustainable Palm Oil (ISPO) on the oil palm plantation industry is the Roundtable of Sustainable Palm Oil (RSPO). The RSPO has recently become an important issue in the world of oil palm plantations. Many oil palm plantations are pursuing this Roundtable of Sustainable Palm Oil (RSPO) certificate. This certificate initiative comes from multi stakeholders, such as WWF, Aarhus, Golden Hope, MPOA, Migros, Sainsbury, and Unilever. The stakeholders are filling a sustainable palm oil plantation to respond to attention in the food and cosmetics sector. The nonprofit organization was adopted on 8 April 2004 as a nonprofit organization under Article 60 of the Swiss Civil Law. The secretariat located in Kuala Lumpur Malaysia is supported by 10 members who fund and represent related parties. The Roundtable of Sustainable Palm Oil (RSPO) literally means a conference or multi-stakeholder talks to create sustainable palm oil for sustainable palm oil to safeguard the environment in general. This is motivated by the many land clearing for irresponsible plantations, such as burning, killing animals that are considered enemies in gardening, destroying conservation forests or conservation areas and also maintaining improper plantations as well as inappropriate spraying, ie spraying on the edge ditch that can poison biodiversity and the use of harmful pesticide.

Quotation 22 attachment 1 of Regulation of the Minister of Agriculture No. 19 / Permentan / OT.140 / 3/2011 dated 29 March 2011 on Guidelines for Indonesian Sustainable Palm Oil (ISPO). The certification requirement is a requirement for obtaining an ISPO certificate covering legal, economic, environmental, and social compliance as regulated by applicable laws and sanctions for those who violate. This provision is a set of requirements consisting of principles and criteria and guidance required for the management of sustainable palm oil plantations and Palm Oil Mill (PKS), as well as having a definite size and no tolerance for errors. Therefore, the assessor or auditor does not include this element.

The principles and criteria of ISPO Sustainable Palm Oil Plantations are:

- 1) Licensing and Estate Management System,
- 2) Application of Technical Guidance of Cultivation and Processing of Coconut,
- 3) Environmental Management and Monitoring,
- 4) Responsibility to Workers,
- 5) Social and Community Responsibility,
- 6) Empowerment of Community Economic Activities, and
- 7) Continuous Business Improvement.

Oil palm companies that have not been able to meet or implement all of the Roundtable of Sustainable Palm Oil (RSPO) principles and criteria can apply for Roundtable of Sustainable Palm Oil (RSPO) certification. After registering, the plantation company will be followed up (audited) by the international authorities or representative agencies trusted on the Roundtable of Sustainable Palm Oil (RSPO) principle. If there is no problem, a Roundtable of Sustainable Palm Oil (RSPO) certificate will be provided. To apply the Roundtable of Sustainable Palm Oil (RSPO) certification system requires enormous costs, environmental experts, and technological tools are adequate.

2.3. Platform Philosophy

Qualitative research should have a philosophical basis for thinking and analyzing that aims for the formulation of submission. Because the pattern of truth is more objective and describes all the real events in environmental accounting. The cornerstone of philosophy in Social science can be conceptualized with four assumptions related to ontology, epistemology, human nature, and methodology, as Burrell and Morgan (1979) have pointed out. The following is an explanation of the above assumptions: (1). Ontology is an important assumption about the core of the phenomenon in the study. What is observed is objective or reality which is the form of individual cognition. An example is the study of environmental accounting in oil palm plantation companies. This study provides an overview of the phenomenon that has occurred, namely environmental accounting in palm oil plantation companies. What is really happening in the environmental accounting of the oil palm plantation industry, what reality is really happening to oil palm plantation companies, how environmental accounting reporting, and how much environmental costs actually occur. These phenomena are then connected with the implementation of Law No. 18 of 2014 on plantations; (2). Epistemology is an assumption of the foundation of knowledge, ie how one begins to understand environmental accounting and communicates the Indonesia Sustainable Palm Oil (ISPO) and applies it to the palm oil plantation industry as the knowledge of others. From the actual events poured in the writing and as a place to start is a science of general (grounds of knowledge) so that real events that can be analyzed qualitatively. The epistemological function of qualitative research in environmental accounting is the need for long observations to open up the mind-set of what is really happening. In this research is devoted to the palm oil plantation industry; (3). human nature are assumptions about the relationship between humans and their environment in the oil palm plantation industry in particular. Responsively mechanisms or determinants of situations encountered in the external world, ie how humans are to the surrounding environment. It is observed and afterwards a conclusion is drawn to be proposed as a new theory. Qualitative research certainly explains the real state and describes it in its scientific report. Qualitative research usually describes things that are common and then take a conclusion from the description. The data analysis comes from the dissemination of the research questionnaire. The result of the research is taken from the data that has been processed by using simple statistical method and then found a proposed formulation about the statement of environmental accounting standards needed for presentation of environmental accounting reporting so that it can be communicated with the parties having interest. This research is a research conducted through a process that is systematically marked by the following three things

- a. Continuous search and deepening of problems, digging data from respondents, evaluating, and analyzing environmental accounting for actual events.
- b. Research is subjective which means the subject of research, research model, research object and analysis tool is very dependent on the subjectivity factor of the researcher.
- c. Withdrawal of assumptions from this study, which is to expect a research result from the investigation and to gain knowledge of environmental accounting and the implementation of Law No. 39 of 2014 on plantations in actual implementation (Lincoln and Guba 1986)

2.3. Environmental Accounting

Environmental Accounting began to develop since the 1970s, just beginning to be considered the Social Accounting section, began to be concerned about the preservation of the surrounding environment, as stated by Stephan (1997). There are several definitions of Social and Environmental Accounting as follows.

"It can be taken as accounting for environmental issues, including new areas of eco-accounting" (Mathews (1993) Environmental Accounting is a medium for reporting on how an Institution, State or Local Government operates, and other organizations to provide information on environmental activities that have been implemented. The purpose is to provide information on the operational performance of the company to participate in the participation of environmental protection in accordance with applicable regulations. According to Yakhou and Dorweiler (2003) environmental accounting are:

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

According to Lange (2003) the environmental account consists of four parts as follows.

1. Natural Resource Asset Accounts relating to natural resources and focus in improving the accounts of financial statements (System National Accounts)
2. Accounts Flow of raw materials and pollution (energy and resources) that provide information at the industry level on the use of raw materials and energy as inputs for production.
3. Resource management expenditure and environmental protection that identifies expenditures incurred on industries, Government and households.
4. The macroeconomic summation that is adjusted in an environment including sustainability indicators.

The description of the accounting phases above is the basis for thinking about the importance of environmental accounting at present, especially in environmental accounting in the field of palm oil industry companies and to know the existence of the development of environmental accounting in the present.

When viewed phase phenomenon of environmental accounting and regulation of statements of financial accounting standards environment or Act on environmental accounting there is nothing to regulate the process of recording environmental accounting. It is necessary to have an academic draft of the Draft Law (RUU) on environmental accounting. For that purpose, the purpose of returning this accounting phase is very helpful for the process of research thinking framework for Environmental Accounting.

2.4. Previous studies

2.4.1. Bin (2009), according to the results of his research the Government should further improve the relevant laws and regulations, strengthen law enforcement for environmental protection and strengthen public education from environmental accounting. Company management must respect the environment and must provide information on environmental accounting so that the public and Government can know. Furthermore, reporting on the disclosure of environmental accounting in the financial statements and can be accountable to the public. Moral hazard awareness of local entrepreneurs to improve environmental quality of environmental damage

2.4.2 Gray (2010), the results of his research states that the evaluation of environmental costs and social costs with the aim that all natural wealth is maintained because it is very necessary. This study also provides an idea of the existence of social cost reserves and environmental costs that are likely to occur due to damage to the ecosystem. This aims to avoid the risk of environmental costs and losses to be greater.

2.4.3 Cuckston (2013), stated that in his research results should be taken into account the costs of conserving the biodiversity of tropical forests into the calculation of financial accounting and must be taken into account loss reserves of tropical forest destruction within the company.

2.4.4 Khan (2014) says it is indispensable to prepare a report on the financial position of biodiversity in Kalimantan and economic support so that financial and nonfinancial decisions can be made and implemented to ensure the viability of this valuable biodiversity. The position of the company's financial statements is at high risk if not maintaining biodiversity, ecosystems, and the environment. Companies are merely pursuing profits, and the surrounding community is supporting them.

III. Conceptual Framework

This research is a qualitative research on environmental accounting. To that end, this conceptual framework starts from environmentalists worldwide demand, especially among oil palm planters and community needs. Furthermore, the emergence of the idea of Roundtable on Sustainable Palm Oil (RSPO) certification and then the existence of Law No. 39 of 2014 on Plantation. Then for the implementation of the Law, the Regulation of the Minister of Agriculture No. 19 / Permentan / OT.140 / 3/2011 dated 29 March 2011 on Guidelines for Indonesian Sustainable Palm Oil (ISPO) and companies is required to apply the obligations for certification (Indonesian Sustainable Palm Oil) which ends on 31 December 2014.

In Law No.39 of 2014 on Plantation with obligation every entrepreneur of Palm Plantation Industry must do environmental maintenance, Environmental Control, and Environmental Maintenance continuously. In fact, the oil palm plantation industry has recorded costs to maintain the environment. However, it is not in the account of immature and mature. Meanwhile, the implementation of the regulations in the Statement of Financial Accounting Standards has not yet issued a regulation concerning the listing. From the description can be seen the idea framework in this qualitative research in Figure 3.1 below

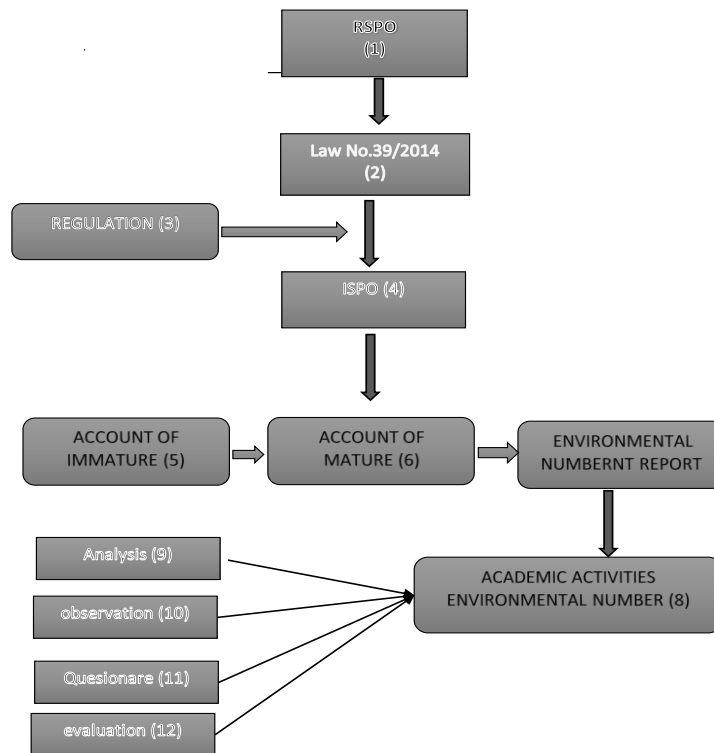


figure 3.1. Conceptual framework
Source: Self-Improvement

Description;

- 1) The Roundtable on Sustainable Palm Oil (RSPO) is the first step of an idea or idea on the maintenance and control of the Environment
- 2) Then RSPO (Roundtable on Sustainable Palm Oil) is ratified as Law No. 39 of 2014 on Plantation.
- 3) To implement the Law, the Regulation of the Minister of Agriculture No. 19 / Permentan / OT.140 / 3/2011 on Guidelines on Indonesian Sustainable Palm Oil (ISPO) was made on March 29, 2011.
- 4) As a Standard Supervision on Oil Palm Plantation Company which is environmentally conscious, it is established in the certification of ISPO (Indonesian Sustainable Palm Oil)
- 5) Normally Accounting for Oil Palm Plantations Company is currently to record Environmental Cost before production or maintenance phase then in the form of Immature account name (Crop Not yet Produce)
- 6) If the Oil Palm Plantation Company produces FFB (Fresh Fruit Bunch) then the name of the Immature account (Plant Not Produce) is then journalized to the name of the Mature account of name (Produce Plant) account.

- 7) Environmental Plantation Finance Report is the Financial Statement of Palm Oil Plantation Company is still running.
- 8) Prepare the idea of academic paper for environmental accounting research results.
- 9) Conducting review of research results with Law No.39 of 2014 on Plantations / ISPOs, other laws, and government regulations governing the Environment.
- 10) Through observation of current events and Environmental accounting records in A, Ltd Plantation Company, B Ltd and C Ltd are currently underway
- 11) Conducting a closed / open Questionnaire to obtain the influence of the Act and ISPO on the subject of Academic Paper on Environmental Accounting Bill, and open questionnaires to selected respondents
- 12) In the evaluation of the questionnaire, observation, legal and theoretical data to formulate the main draft of the academic script.

IV. RESEARCH DESIGN.

Qualitative research according to Moleong (2007) is a research that intends to understand the phenomenon or the occurrence of what is experienced by the subject of research, such as perception, motivation, events occur, and so on holistically and with the method of description in the form of words and language, on a special context that naturally and utilizes the scientific method. Another opinion about qualitative research Bogdan and Taylor (1975) states his opinion that qualitative methodology is a research procedure that produces descriptive data in the form of written or oral words of the people and behavior that can be observed. This research uses a series of ways or activities of research implementation based on philosophical, basic, ideological, and questionnaire and issues faced by oil palm plantation companies, especially for environmental accounting. Qualitative research using statistical formulation, is only to measure and assist opinion (opinion) of respondents to the qualitative research, find the formulation of filing about academy paper of Environmental Accounting. Thus, statistical formulation is not a primary tool for the analysis of this study, but statistical formulation is merely as a tool to become a barometer of qualitative research on the formulation of submissions and to provide an overview of the opinions of the questionnaire, and to reinforce the reasons for this qualitative research discussion. Qualitative research in the opinion of Ahrens.T and Chapman.C (2006) says

"By showing the relationship between qualitative field study observations, the area of scholarly debate and theory, the observation and analysis of organizational processes can be structured in ways that can produce theoretically significant contributions". In making the draft proposal the principal subject of the academic paper The Environmental Accounting Act The qualitative approach assumes that human beings are superactive creatures who can exercise freedom and will, but not based on the law of cause and effect. (Flick, and Steinke, 2004). Qualitative research claims to describe lifeworlds 'from the inside out', from the point of view of the people who participate. By so doing it seeks to contribute to a better understanding of social realities and to draw attention to processes, meaning patterns and structural features. Those remain closed to non-participants, but are also, as a rule, not consciously known by actors caught up in their unquestioned daily routine. For the environmental accounting of this study in accordance with the concept, namely qualitative research, using the auditor's opinion questionnaires, academics and owners of the company. Furthermore, data collection uses observation on environmental accounting on palm oil industry A Ltd, B Ltd, and C Ltd. The results of questionnaires and observations are used to create a theory by using open-mindedness. This is in accordance with the statement of Sukoharsono (2010) environmental accounting must be based on observation and open reason. Broadly speaking qualitative research has characteristic through deep understanding (*verstehen*), because *mengali* the meaning of an object deeply by using approach of *qualitatif* research. The approach used in this research is Critical Social Science (CSS) approach. Where in the Critical Social Science Approach addressed to Karl Max (1818-1883), and Sigmund Freud (1856-1939), and later elaborated by Theodor Adorno (1903-1969), Eric Fromm (1900-1980), and Herbert Marcuse (1898 -1979). According to Kincheloe and McLaren's thoughts in Neuman (2006) on Critical Social Science (CSS) as follows; "Critical research can be understood in the context of individual empowerment. Demand that aspires to a critical name must be connected with an attempt to deal with the injustice of a particular society or ball in society. Thus, the study became a transformative enterprise impressed with the label "politics" and not afraid to achieve perfection of relations with emancipatory consciousness "

The Critical Social Science (CSS) approach is conducted by looking at the critical process of investigation of the injustices of A Ltd, B Ltd and C Ltd Palm Oil Plantation Industries which already have Certified Indonesian Certified Palm Oil (ISPO) industry in the palm oil industry already pay attention to the environment. The acknowledgment of the injustice of the recognition of environmental costs has been issued by A Ltd, B Ltd and C Ltd on the benefits companies, communities and corporations can gain. This research is a critique of the current

phenomenon in the palm oil plantation industry. Then this research can create a balanced justice between the company, society and government.

Observation (observation) is to present a picture of reality, behavior or event, to answer questions, to help understand human behavior, and the importance of collecting data. This research uses direct observation on the company's environmental field A Ltd, B Ltd and C Ltd on company staff who work in accounting and agronomy. Bungin (2007) suggests two ways of observation conducted in this research, that is

- a) Participant observation is a data collection method used to collect research data through observation and sensing and in situ observer or researcher is really involved in respondent's daily life. Researchers must come face-to-face when the company conducts prevention, development, cultivation activities with other company staff. This research is part of decision-making participation with A Ltd , B Ltd and C Ltd management team;
- b) Unstructured observation is observation conducted without using observation guideline. Usually in this observation the researcher should be able to develop his observational power in taking an object or data A Ltd, B Ltd and C Ltd.

Questioner is a method of collecting data which is done by giving a set of questions to the respondent. According Kerlinger and Lee (2000) comprised as many as 30 respondents as a minimum number of samples in qualitative research. Of the population of 300 (three hundred) people who became the target of respondents in this study, then sorted into 60 respondents of choice. The respondent of choice has condition requirement is auditor, Expert in the field of environmental audit and experience working in the field of Palm Plantation Industry at least 2 (two) years. Then academics in Financial accounting who have experience of teaching at least 2 (two) years, strata two or strata three, and understand environmental accounting. If at the time of spreading the questionnaire did not understand the environmental accounting, then the respondent is not the prospective respondents in this study. Then specially for auditor requirement tightened again for auditor that is responder have to ever audit and make financial report at least 2 year, work especially in palm oil plantation requirement of education of strata one or strata duas. These respondents were selected on the job basis. In addition, to measure attitudes, opinions, and perceptions of respondents this study using Likert Scale. Respondent kusus, namely the owner of the company (stakeholders) amounted to 3 people and they only answer the question "yes or no". For prospective respondents taken from the owner of the company A Ltd, B Ltd and C Ltd, each one person who represented potential respondents A Ltd, B Ltd and C Ltd. This is done only for consideration of time simply because of the busyness of the owners of the company. In addition, they also lack understanding of environmental accounting. The purpose and purpose of taking prospective respondents to know the desire of the entrepreneur for Environmental Accounting, and its interests within the company. In addition, this study also uses observations, and reasoning power ratios to the disclosure of questions used. Number of questions for 12 auditor and academic respondents (Attachment one) and number of questions for 7 stakeholders (Attachment 2). This study uses Likert Scale. According to Djaali (2008) Likert scale is a scale that can be used to measure attitudes, opinions, and perceptions of a person or group of people about a phenomenon.

V. Result & Discussion

Inside to make a draft proposal of the principal subject of Academic Paper that supports the drafting of Environmental Accounting Act. This study conducted a case study study in the Industrial Company of Palm Plantation Industry with the approach of Law No.39 of 2014 on Plantation and conducted a closed and open questionnaire research.

As for the steps of conducting a closed and open questionnaire research, to make the draft proposal of the principal academic script to support the Environmental Accounting Research Bill will be described as follows;

- a. Do research on closed questionnaires by using Likert scale, and use simple static analysis tool.
- b. Conducting research on open questionnaires by reading, marking the key words of understanding according to this research are standard guidelines, transparency, can, heavy burden, education, and no comments.
- c. Keywords are assumed in letters A, B, C and D. Then processed the letters in percentage form.
- d. Conducting participant observation to collect data of closed and open questionnaires do directly see the respondent really everyday whether it is true to do environmental maintenance process. For academics of participant observation by seeing the correctness of mastery Environmental science, environmental accounting, and educational background.
- e. Then conduct unstructured obaservasi to convince the results of research that has been done on the truth of data respondents have provided information.

- f. Collect all the questionnaire data, and re-examine the truth of the closed and open questionnaire. Then in if the computer use excel program. For the closed questionnaire with Likert scale then processed in the form of average, while for open questionnaire processed in the form of percentage (%)
- g. Document the results of all questionnaires, notes during the study, and evidence of evidence supporting this research.

From the description of the closed and open questionnaire steps, then to make the principal of supporting Academic Paper for the Environmental Accounting Act are as follows;

4.1 How the current environmental issues relate to the plantation industry

Years of oil palm plantation industry which is accused as the culprit of environmental damage especially forest fires. Until now the most severe environmental damage issue of Palm Oil Plantation companies, a number of companies of palm oil plantation industry was asked to be responsible for putting environmental sustainability by the Government. Environmental damage to the oil palm plantation industry is simultaneous from forest, water and peat fires. According to research Fahmuddin et al (2010) reported by the Roundtable on Sustainable Palm Oil (RSPO) states that from 1990 to 2010 the development of palm oil in Indonesia derived from primary forest was only 5.3%, while those from shrubland only about 21 %, while the rest comes from degraded land (degraded land) including land conversion. Industry Oil palm plantations are not only developed on mineral soils but also on peatlands, such as West Kalimantan and Central Kalimantan. Although some peatlands are suitable for palm oil, oil palm development is subject to various criticisms, mainly due to carbon emissions, both from land burning during land clearing and peat decomposition. To overcome the environmental damage in the Palm Oil Industry is wrong the way the instrument is to make an Act on Environmental Accounting. Which regulates the obligations of Palm Oil Plantation companies to recording Environmental Accounting. With the existence of clear law and transparency of environmental accounting recordings, at least the Government has tried to overcome the environmental damage specifically of Palm Plantation Industry.

Environmental accounting is a record that tries to assess in quantitative quantities of benefits gained or expenses incurred by the company in relation to its business of repair, control and environmental management. This assessment is integrated into the recording of the company's environmental accounting, so that the resulting financial statements already cover the consequences of environmental activity on a reasonable increase / decrease in assets and liabilities. The purpose of environmental accounting (Pramanik et al 2007), among others, is to:

- a. Encourage entity responsibility and increase environmental transparency.
- b. Assisting entities in establishing strategies for responding to environmental issues in the context of entity relationships with communities and especially with activist groups or pressure groups on environmental issues.
- c. Provide a more positive image so that entities can get funding from 'green' groups and individuals, along with the increasingly ethical demands of investors.
- d. Encouraging consumers to buy green products and thereby making entities have more competitive marketing advantages than non disclosure entities
- e. Shows the entity's commitment to environmental improvement efforts.
- f. Prevent negative public opinion as companies that attempt in areas at risk not environmentally friendly will generally accept opposition from the public.

The current environmental accounting records on companies The palm oil plantation industry can not be denied that it does not yet have standard standards for how to record environmental costs, the cost of managing external cost control that may occur in the operations of the Palm Plantation Industry, environmental assets, , calculate and present in the reporting of Environmental Accounting. Richard K. (2003) states in the record to manage all sorts related to a company's waste is preceded by a plan that will be grouped in a certain postal post so that it can be known the real needs every year. In fact fact that happened that company of Oil Palm Plantation A Ltd, B Ltd, and C Ltd until now does not have a standard standard of environmental accounting records, measuring, calculating and to how to make a financial accounting report. For now, A Ltd palm oil industry, B Ltd , and C Ltd in the process of recording environmental costs or environmental assets are still using the common practice carried out by other palm oil plantation companies. Normally when environmental expenditures are incurred or environmental costs and purchases of asset assets used for environmental maintenance such as the purchase of fire cars, and so on. The Palm Oil Plantation Company is still accounting in the Balance Sheet account group as mentioned Planted Not Produced if the company is still in pre operational or maintenance stage. When the oil palm plantation company has been producing Fresh Fruit Bunches (FFB) then the expenses incurred will the company record as in the Profit Loss Statement referred to as the other overhead account name. As for the process of

recording the purchase of environmental assets in the production stage of Fresh Fruit Bunches (FFB), the company is still grouping within its general assets asset, and there is no special treatment for the assets of the environmental assets and other assets. To observe the facts that actually occur within the habit of recording and reporting the environmental costs of the A Ltd, B Ltd, and C Ltd Palm Plantation Industries Companies have been recorded in sub-accounts of Tubes Not Produced from year 2008 through 2014 see table 4.1

Tabel 4.1
Comparison of Immature,mature and Environmental Costs Account

No	Years	Total			%tase
		Immature	Mature	environment	
1	2008	283,053.45	337,893.12	6,822.60	2.02%
2	2009	312,671.82	346,015.61	25,105.44	7.26%
3	2010	328,228.62	370,679.61	37,708.18	10.17%
4	2011	369,374.89	404,554.44	43,351.40	10.21%
5	2012	375,137.99	438,747.26	68,433.00	14.76%
6	2013	338,795.10	460,556.28	92,034.88	18.95%
7	2014	302,716.72	496,635.06	115,334.72	22.11%

Source: own processing

When viewed from 2008 to 2014 in table 4.1 then in the year 2013 to 2014 experiencing a very large environmental cost jump is equal to 22.11%. The increase of environmental cost is disebabkan by Oil Palm Plantation Company A Ltd, B Ltd, and C Ltd has been under pressure from government, non-governmental organizations (NGOs), and based on field observations that the company is also seeking to get certified Indonesian Sustainable Palm Oil (ISPO). With the Regulation of the Minister of Agriculture No. 19 / Permentan / OT.140 / 3/2011 dated 29 March 2011 on Guidelines of Indonesian Sustainable Palm Oil (ISPO) no later than December 31, 2014, all obligatory Palm Plantation Industries has certified Indonesian Sustainable Palm Oil (ISPO). Viewed facts happened to A Ltd Plantation Industries, B Ltd and C Ltd that has implemented the obligation of certification of Indonesian Sustainable Palm Oil (ISPO), and has already paid the cost of environmental maintenance cost in table 4.1 above. Furthermore, from the results of the report how to make efforts of monitoring and reporting the environmental costs, how the standard guidelines for reporting environmental costs, cost control and inspection of those costs. To get the answer, it is necessary to have an Environmental Accounting Act that can regulate all the process of recording environmental accounting to the environmental management accounting process. Environmental management accounting is very important within the company Oil palm plantation industry to cope with environmental damage. According to the United States Environmental Protecting Agency (USEPA) describes environmental management accounting as a process of "identifying, gathering and analyzing processes of information about costs and performance to aid organizational decision making." and The Intenational Federation of Accountants (1998) define "environmental management accounting as the development of environmental management and overall economic performance as well as the implementation of appropriate environmental relationships of accounting systems and practices." Both opinions support the environmental accounting record to analyze, monitor and evaluate the damage environment. From these opinions can be concluded environmental accounting is part of the environmental management accounting to assist the process of control and environmental control, in environmental damage. Is a benchmark or paramenter of environmental damage or not within the company Plantation Oil Industry. Environmental accounting provides information to environmental management accounting processes for controlling and controlling environmental damage.

4.2. How is the effect of Law No. 39 / 2014 on Plantations on Environmental Accounting Records.

Palm Oil Industry Company since 2014 is required to maintain the environment, prevent environmental emissions, and environmental damage. Starting from the opening of new land up to produce CPO products (Crude Palm Oil). This refers to Law No. 39 of 2014 on Plantations in Article 32 paragraphs 1 and 2 as follows;

- 1) Any person who opens and cultivates land within a certain extent for cultivation purposes of Plantation Plantation shall follow procedures that can prevent the occurrence of environmental damage.

- 2) Every person who uses the growing media of Plantation Plant for cultivation purposes Plantation Plantation shall follow the procedures that can prevent the occurrence of environmental pollution.

From the results of research on Ltd Palm Plantation Industry Company, B Ltd and C Ltd have implemented sustainable industrial certification, and in accordance with Law No. 39 of 2014 on Plantation in article 67 where the plantation businessmen are obliged to maintain the preservation of environmental functions life. To further the researchers also conducted a closed questionnaire that aims to see how the relationship of Law No. 39 of 2014 on Plantations with Environmental Accounting Record.

From the list of questionnaires that have been filled by two groups of respondents are academics and practitioners. Using the questionnaire list can be seen in Appendix 4 and 5, Question Number 1 through 8 at the Likert 5 (five) level, the results of the research and processing of the recapitulation data can be seen in Table 4.2.

Table 4.2
The Relationship of Law No.39/2014 on Plantation to Environmental Accounting

No.	Description	y	Σ	n	x	Description
1	Academics	1 s/d 8	33.17	8	4.15	agree
2	Pratitioners	1 s/d 8	32.80	8	4.10	agree
Total			65.97	16	4.12	agree

Source: Self-Processing

Explanation:

1. n = is the number of questions
2. x = average
3. y = list of question
4. □ □ amount

Skalalikert:

1. Strongly disagree
2. Disagree
3. doubt
4. agree
5. Strongly agree

From the results of collecting questionnaires obtained both groups of academics and auditors in table 4.2 get the average number of 4.15 for the academic group, while for the practitioner respondents get the average number of 4.10 also agreed. Assuming Likert scale is made until the number 5 is classified can be interpreted both respondents agree that there is a relationship of Law No.39 Year 2014 about Plantation with Environmental Accounting Record. When both groups of academics and practitioners numbered 4.12, both groups agreed to the relationship between Law No.39 of 2014 on plantations with Environmental Accounting records.

With the Law, the Palm Oil Industry Company is required to issue environmental costs, environmental pollution prevention costs and other costs related to environmental damage. The existence of activity expenditure of these costs then required a process of recording environmental accounting, environmental accounting reporting and environmental accounting supervision. For the application of environmental record-keeping process, guidelines for recording, classification and measurement of such transactions are required. Furthermore, from observations and closed questionnaires see in Appendix 6, that the stakeholder of the three A Ltd, B Ltd, and C Ltd also agreed to the relationship of Law No.39 of 2014 on plantations with Regulation on Environmental Accounting on Plantation Industry. For Environmental Accounting of A Ltd, B Ltd and C Ltd research through unstructured observation and open-ended questions to Stakeholder (stakeholder) strongly expect the Government or regulator to make the rules of Environmental Accounting Standards stand-alone can be audited other parties. So it can give accountability to the Community and Government. According to the opinion of the Chairman of the Darto Oil Palm Farmers' Union (2016), "It is important that guidelines for farmers be able to improve the quality and quantity of their production, without having to open forest and peat land." Currently requires standard guidelines or clear rules on environmental

accounting , then indirectly can improve the quality of oil cultivation, not necessarily to expand the forest land that could damage the environment. Then added by stakeholders Mr. BH (Owners C Ltd) said "we have certified ISPO, but supervision for reporting environmental accounting there is no regulation. "From these statements have already gained a source of information on the importance of standard guidelines and implementing regulations on environmental accounting. Then this research also uses open questionnaires to view free opinions aimed at deepening research on the relationship of Law no. 39 Year 2014 on Plantations with Environmental Accounting Records. Furthermore, the question submitted to the respondent is "what is your opinion since the enactment of Law No. 39 of 2014 on the activities of Environmental Accounting process ?. This question is conveyed to the respondent of choice for preview and who has experience in their field. Then the researcher takes interpretation of keywords from sources of information about variables to be processed, then made in percentage (%) simply. See table 4.3 of respondents open the relationship of Act with activity process of environmental accounting.

Table 4.3
Respondents open the relationship of Law No.39/2014 on Plantation with the activity of recording process of Environmental Accounting

Kode	Interpretation of keywords	People	%
A	Standard Guidelines (Law)	44	69.84%
B	Heavy Load	3	4.76%
C	Education	14	22.22%
D	No Comment	2	3.17%
Jumlah		63	

Source: Self-Processing

In Table 4.3 of code A of the interpretation of the keyword "standard guidelines (Law)" referred to in this keyword research are rules of conduct or standardization guidance required in reporting, standard disclosure and implementation guidelines for the preparation of Environmental Accounting Statements by organizations or companies. According to research from 63 respondents 44 people interpretation of the keyword "standard guidelines" or with a percentage of 69.84% that the Palm Oil Plantation companies need the rules rules or standard guidelines on principle principles in reporting, disclosure standards and guidelines for application of environmental accounting . With the provision of standard guidelines for reporting or disclosure of environmental accounting. It is more open and easy to enforce the law. This statement is also conveyed by Samekto (2009) that the still weak law enforcement still level of concept has not done in real and clear. In the perspective of the rule must be firm, and clear so as to facilitate the supervision and control of the environment. Then another opinion put forward by Helm & Spriz (2000) international environmental regime is a set of elements, rules, norms and decision-making processes that can facilitate countries in solving environmental problems. So this opinion is a set of elements, rules, norms and decision-making processes that can facilitate countries in solving environmental problems such as global warming issues resulting from the Palm Oil Industry.

For the second in C code the keyword "Education" referred to in this study is necessary education, training, and special knowledge about environmental accounting. From the results of this study still required the education or training on environmental accounting as many as 14 people or with a percentage of 22.22%, The results of this study 14 people or 22.22% of respondents from academics. For column B with the keyword "heavy burden" referred to this word is the costs to be incurred by the Palm Oil Industry company for the maintenance and control of the environment. This study only 3 people or equal to 4.76% with the keyword "heavy burden". This means that the company's palm oil plantations have no objection or no burden to the company in environmental accounting activities. These respondents are from practitioners, while for no comments are 2 people or percentage of 3.17% consisting of one respondent from non-governmental organization (NGO) and one from local government officials. Unstructured observation of open questionnaire answers gets informed by the existence of Environmental Accounting rules, so that Palm Oil Plantation companies will be able to reduce other overhead costs such as political costs, donations to other parties are unclear, unexpected costs, and so on. For long-term companies Palm plantation industry is more profitable when it has applied environmental accounting.

Both closed and open questionnaires concluded that the current Environmental Accounting Rule is urgently needed in the current Palm Oil Industry, its purpose in order to provide accurate information on environmental costs, and the measurement of environmental performance in the Palm Oil Industry Company. The need for education is also shared by Natawidjaja's statement (2014). "Some of the issues that palm oil concessions still face are limited levels of ability, low organizational skills, lack of knowledge, and lack of productivity". Indonesia's oil palm cultivation is still low on environmentally friendly palm cultivation education, knowledge of environmental damage, environmental damage and awareness to join the organization is still low. With the education of knowledge of environmental damage, this will affect the consciousness of the farmers participate in maintaining environmental damage.

VI. CONCLUSION

From Background of research to discussion about Environmental Accounting analysis on Oil Palm Plantation Industry Law Number 39 Year 2014 about Plantation, and based on qualitative research with observation technique, and interview. The conclusion is presented as follows;

Environmental Destruction in Plantation Industries is currently at a severe level. Where there is environmental damage caused by simultaneous forest and peat fires such as West Kalimantan and Central Kalimantan. This fact is in accordance with the research that the oil palm plantation companies have spent considerable environmental costs aimed at addressing environmental damage. However, what has happened is not able to overcome the environmental damage caused by the expansion of land in Oil Palm Plantation Company. As an example of the environmental costs that have been issued by A Ltd, B Ltd and C Ltd Palm Plantation Industries every year has increased continuously. For the year 2014 already shows environmental costs surged to 22.11%, but no guidelines, or standards set about environmental reporting performance reporting.

According to a closed questionnaire study stated that there is a relationship between Law No. 39 of 2014 on Plantations with Environmental Accounting Records. For the opinion of the category of respondents academics get the value of $x = 4.15$ with Likert scale 5 with the opinion of "agree". Then for the category of respondents practitioners get the value sebear $x = 4.10$ states "agree" with the level of the liker scale 5. Then for the open questionnaire in this study from the interpretation of the keyword "standard guidelines" means require Law or guidelines recording Accounting environment. From the results of the study showed that 69.84% requires the Act on Environmental Accounting, while for the conclusion of education only get sebear 22.22%. With the education of knowledge Accounting environment and damage then this will affect the consciousness of the oil palm farmers participate and maintain environmental damage.

The implications of the theory are expected that the Academic Draft Principal Draft of environmental accounting will be a guideline of the basic rules that must be in the study of Environmental Accounting theory. It is then expected to be the input to make the Academic Paper of Environmental Accounting Act.

6.Limitations of Research

This research has been cultivated and carried out according to the scientific research process, but still has limitations;

- a. Respondents' honesty factors to provide answers to closed and open questions that may affect the quality of the research, and the respondent's fac- torship factors towards Environmental Accounting.
- b. The existence of the Company's securities influence factor in providing cost data related to environmental damage, and other answers.

REFERENCES

- [1]. Abdullah AZ, Salamatinia B, Mootabadi H, Bhatia S,(2009). Current status and policies on biodiesel industry in Malaysia as the world's leading producer of palm oil. *Energy Policy* 37(2009)5440-5448.
- [2]. Ahrens,T. &Chapman,C.S (2006) "Doing qualitative field research in management accounting:Positioning data to contribute to theory" *Accounting, Organizations and Society*, Elsevier.0361-3682/S
- [3]. Agus F, Santosa I.Dewi P, Setyanto P, Thamarin S, Wulan YC, Suryaningrum F.(2013), *Technical Guidelines for the Calculation of Natural Gas Land-Based Sector and Land-Based Greenhouse Gas Absorption*, Book I Land Scientific. National Development Planning Agency, State of the Republic of Indonesia, Jakarta
- [4]. Arfanlkhsan (2008). *Environmental Accounting & Disclosure*, Graha Science Printing, Yogyakarta, Hal 6-9
- [5]. Allen,B.(2009) *Agricultural development, policies and governance*. Page 425-488 in R.M.bourke. T.Harwood,editor, *Food and agriculture in Papua New Guinea*.The Australian National University, Canberra.
- [6]. Aronsson, T., Johansson, P. dan Lofgren, K. (1997), *Welfare Measurement, Sustainability and Green National Accounting*, Edward Elgar, Williston, VT.
- [7]. Association of Chartered Certified Accountants, Net Balance Foundation dan Sustainable Investment Research Institute (2010) "Disclosures on Water" available at [www.siris.com.au/newfiles/water disclose SIRIS.pdf](http://www.siris.com.au/newfiles/water%20disclosure%20SIRIS.pdf) on 25 January 2015

- [8]. Bailis, R. dan Baka, J. (2011), Constructing sustainable biofuels: governance of the emerging biofuel economy, *Annals of the Association of American Geographers*, Vol. 104, No.4, pp. 1-12.
- [9]. Barth, M. dan McNichols, M. (1994), Estimation and market valuation of environmental liabilities relating to superfund sites, *Journal of Accounting Research*, Vol.32, supplement, pp. 177-209.
- [10]. Barth, M., Landsman, W. dan Lang, M. (2008), International accounting standards and accounting quality, *Journal of Accounting Research*, Vol. 46 No. 3, pp. 467-98.
- [11]. Barth, M.E., dan M.F. McNichols, (1994). Estimation and market Valuation of environmental Liabilities relating to Superfund sites. *Journal of Accounting Research* vol 32 (Supplement) pp-199-201
- [12]. Bin L.Z (2009), Research on environmental accounting information disclosure for thermal power enterprises in China: Current situation, countermeasure and implement way, *Journal of Modern Accounting and Auditing*, Vol 5, No.1
- [13]. BKPM (2013). Peran Sektor Agrikultur di Indonesia. Online: www.bkpm.go.id. Tanggal 22 Februari 2015
- [14]. Bungin, M. Burhan. (2007) *Qualitative Research: Communication, Economy, Policy*, Printing Balai Pustaka edisi 2 Jakarta
- [15]. Burrell, G. dan Morgan, G. (1979). *Sociological Paradigms and Organisational Analysis: Elements of the sociology of corporate life*, Heinemann Educational Books, London.
- [16]. Creswell, J.W., dan Miller, D.L. (2000) *Determining Validity in Qualitative Inquiry Theory in Practice*, Creswell, John W., Vicki L. Plano Clark. 2007. *Designing and Conducting Mixed Methods Research*. Thousand Oaks: SAGE Publications Publik, dan Ilmu Sosial Lainnya. Jakarta: Kencana Prenada Media Group.
- [17]. Cuckston, T. (2013), Newcastle University Business School, Newcastle, UK *Bringing tropical Forest biodiversity Conservation into financial Accounting calculation*, *Accounting Audit & Accountability Journal* Vol 26 No.5, pp 688-714
- [18]. Darto, Mansuetus (2016), "It's How to Develop Palm Garden Without Having to Destroy Forest" dated August 30, 2016 <http://bisnis.liputan6.com/read/2589826/ini-cara-pengembangan-kebun-sawit-tanpa-harus-merusak-hutan?source=search>
- [19]. Dauvergne, P. dan Neville, J.K. (2010), Forests, food, and fuel in the tropics: the uneven social and ecological consequences of the emerging political economy of biofuels, *Journal of Peasant Studies*, Vol. 37 No. 4, pp. 631-60.
- [20]. Dja'far, N. Ranawati dan M. Akimal, (2005). Guidelines on Roundtable on Sustainable Palm Oil (RSPO) on Sustainable Palm Oil Principles and Criteria on Oil Palm Industry, *Palm Oil Research Journal* 13 (2): 85-110. Medan Palm Oil Research Center.
- [21]. Elkington, J. (1999), *Cannibals With Forks – The Triple Bottom line of 21st Century Business*, Capstone Publishing, Oxford.
- [22]. Fess, Philip E., Warren Carls S., (1990), *Accounting Principles*; 16th Edition, Cincinnati: South Western Publishing Co.
- [23]. Flick, Uwe. (2006). *Qualitative and Quantitative Research dalam An Introduction to Qualitative Research*. London, SAGE Publication
- [24]. Gelder Jan Williem van (2012) *Biofuels investments in tropical forest-rich countries: implications for responsible finance Sustainability, Accounting, Management and Policy Journal* Vol. 3 No. 2, pp 155-220
- [25]. German, L. (2012), The impacts and trade-offs of large-scale land acquisition: challenges and opportunities for multi-level governance, paper presented at the World Bank Conference on Land and Poverty, Washington, DC, 23-26
- [26]. German, L. dan Schoneveld, G. (2012), A review of social sustainability considerations among EU-Approved voluntary schemes for biofuels, with implications for rural livelihoods, *Energy Policy* (in press). USA
- [27]. Gili, T. Lansen, R.K. (2012), *Competing Water Claim in Biofuel Feedstock Operations in Central Kalimantan Sektor Minyak Kelapa Sawit, Keluhan masyarakat dan tatakelola air di Kalimantan Tengah. Community Grievances dan Pathways to Improved Governance of Oil Palm Concession*. pp 106-911.
- [28]. Gray, R. (2010) A re-evaluation of social, environmental and sustainability accounting An exploration of an emerging trans-disciplinary field?, *Sustainability Accounting, Management and Policy Journal*, Vol.1, pp 11-32 Emerald Group Publishing Limited
- [29]. Greenpeace International. (2010). *Protection Money*. Copyright © 2012 Synchronicity Earth. <http://www.greenpeace.org/usa/pressroom/2010/06/01/protection-money>
- [30]. Grootaert, C. (1998). *Social Capital: The Missing Link? Environmentally and Socially Sustainable Development*. The World Bank.
- [31]. Gunarso P, Hartoyo E.M, Agus, F. and Killen, J.T. (2012) "Oil Palm and Land use change in Indonesia, Malaysia, and Papua New Guinea. Reports from the Technical Panel of the 2nd Green house Working Group of the Roundtable on Sustainable Palm Oil (RSPO), World Wildlife Fund, 1259 24th St NW, Washington, DC 2003
- [32]. Hari Priya, G.S. (2000), Integrating forest resources into the system of national accounts in Maharashtra, India, *Environment and Development Economics*, Vol. 5, pp. 143-56.
- [33]. Hazelton James (2013) *Accounting as a Human right: the case of water information* Departement of Accounting and Corporate Governance, Macquarie University, Sydney, Australia
- [34]. Helm, Carsten & Detlef Sprinz (2015) "Measuring The Effectiveness Of International Environmental Regimes. *Journal of Conflict Resolution*. http://www.uni-potsdam.de/u/sprinz/doc/Sprinz_Helm2000.pdf tanggal 27 Febuari 2015
- [35]. Helwegia, Thomas. (2001) *Socio Accounting for Environmental*, First Edition., Grammarica press., Journey., Nixon Offset., UK.
- [36]. Herdiansyah, Haris. (2010). *Qualitative Research Methodology for Social Sciences*. Jakarta, Printing Salemba Humanika.
- [37]. Jain, R.K. (1998) *Environmental Impact Assessment, Principle and Procedure*, Scope Report, Van Nostrand Reinhold Environmental.
- [38]. Kerlinger, F.N. dan Lee, H.B. (2000). *Foundation of Behavioral Research* (Fourth Edition). USA; Holt, Rinnar & Winston, Inc.
- [39]. Khan, Tehmina (2014) *Kalimantan's biodiversity: developing accounting models to prevent its economic destruction*, *Accounting, Auditing, & Accountability Journal*, Vol. 27 No. 1, 2014 pp. 150-182
- [40]. Kingston R (2003), *Rubbish and System Management for International Factory*, [www. Encharta-ixp.gov.us/newsletter/index.php](http://www.encharta-ixp.gov.us/newsletter/index.php) on-line tanggal 22 Mei 2015
- [41]. Krugman, P., (1999), *What happened to Asia?*, Conference paper in Japan, South Western
- [42]. Lange, G.M. (2003). *Policy Applications of Environmental Accounting*. *Journal Environmental Economics Series* Vol 2, pp 12-13
- [43]. Leng, Russell J. (2002). *Quantitative International Politics and Its Critics: Then and Now*, dalam Frank P. Harvey and Micheal Brecher (ed.), *Evaluating Methodology in International Studies*, Ann Arbor: the University of Michigan Press
- [44]. Levy, Jack. S. (2002). *Qualitative Methods in International Relations*, dalam Frank P. Harvey dan Micheal Brecher (ed.), *Evaluating Methodology in International Studies*, Ann Arbor: the University of Michigan Press.
- [45]. Lungu, Camelia Iuliana, et al. *Corporate Social and Environmental Reporting: Another Dimension for Accounting Information* (August 12, 2009). Available at SSRN: Available at SSRN: <http://ssrn.com/abstract=1447247>
- [46]. Mathews, M.R (1997), *Twenty – five years of social and environmental accounting research* las there a silver jubilee to celebrate, Massey University, Parmerston North, New Zealand

- [47]. McCarthy, W. (1982), The REA accounting model. A generalized framework for accounting systems in a shared data environment, The Accounting Review, Vol. LVII No.3, pp. 554-78.
- [48]. McPhailKen, Tengku Farrah Maimunah (2012) Regulating for rights and sustainability: biofuel in Malaysia Sustainability Accounting, Management and Policy Journal Vol. 3 No. 2,
- [49]. Mitchell, C. dan Hill, T. (2010) An exploratory analysis of shareholders' expectations and perceptions of corporate social and environmental reporting in South Africa, SA Journal of Accounting Research, Vol. 24 No. 1, pp. 49-78.
- [50]. Negas, Minga (2012) IFRS and environmental accounting, Management Research Review Vol.35 No.pp 22-35, 2012 @emerald group Publishing Limited.
- [51]. Neuman, W.L. (2006), Social Research Methods: Qualitative and Quantitative Approach, 6th ed. Boston: Allyn and Bacon.
- [52]. Nelson, P, Webb.J.M, Orrell.I W, Rees.v.H, BanabasM.etc.(2010) Environmental sustainability of oil palm cultivation in Papua New Guinea, ACIAR, research that works for developing countries and Australia, www.aciar.gov.au
- [53]. Nikoloyuk. De Man, R. dan Burns, T.R (2010) "The promise and limitations of partnered governance: the case of sustainable palm oil", Corporate Governance: The international journal of business in society, Vol. 10 Iss 1 pp. 59 – 72, <http://dx.doi.org/10.1108/14720701011021111>.
- [54]. Plummer, P. (2005). A Review of Sustainable Development Implementation Through Local Action From An Ecosystem Management Perspective. J. Rural and Tropical Public Health No. 4: 33-40.
- [55]. Pramanik, Alok Kumar, Shil, Nikhil Chandra and Das, Bhagaban(2014) Environmental Accounting and Reporting: with Special Reference to India, (31 December 2014), <http://mpr.ub.uni-muenchen.de/7712>
- [56]. Shearman P.L., Ash.J.,Mackey,B.,Bryan,J.E.&Lokes,B.(2009) Forest conversion and degradation in Papua New Guinea 1972-2002, Biotropica,41,379-390
- [57]. Stephan E. Sefcik, Naomi S.Soderstromdan Christopher H.Stinson (1997) Accounting Through Green-ColoreGlasse ; Teaching Environmental Accounting,Educational Journal, vol 2, pp.24-35
- [58]. Sugiyono. (2012).Qualitative Quantitative Research Methods and R & D. Bandung Alfabeta Printing
- [59]. Sukohrsono,EkoGanis (2010),Metamorphosis of Social and Environmental Accounting: constructing sustainability accounting with the dimension of spirituality. Inaugural Speech of Professorship in Social and Environmental Accounting Studies Faculty of Economics Universitas Brawijaya, Journal of Universitas Brawijaya 2012
- [60]. Tinker, T. and Sy, A. (2009), No David to battle Goliath or analyzing accounting for climate change, International Journal of Critical Accounting, Vol. 1 No. 3, pp. 177-81.
- [61]. Tinker, T. dan Gray, R. (2003), Beyond a critique of pure reason: from policy to politics to praxis in environmental and social research, Accounting, Auditing & Accountability Journal, Vol. 16 No. 5, pp. 727-61.
- [62]. Umar Haryono (2016), Corruption the Devil, Publisher Universitas Trisakti Jakarta
- [63]. Wang Peiling(1999), Methodologies and methods for user behavioral research.Annual Review of Information Science and Tcehnology (ARIST), vol. 34, pp 199
- [64]. Wilcove DS, Koh LP (2010).. Addressing the threats to biodiversity from oil-palm agriculture. BiodiversConserv (2010) 19:1999-20007. Doi 10.1007/s10531-009-9760-x.
- [65]. World Growth, (2011). ManfaatMinyak Sawit bagiPerekonomian Indonesia. Palm Oil Green Development Campaign.
- [66]. Zahller, K. (2010), Quiscostodietipsos custodies? Trust, credibility and the role of third parties in accounting for sustainability", paper presented at the American Accounting Association, San Francisco, CA.
- [67]. Constitution;
- [68]. Republic of Indonesia, Law Number 26 Year 2007 on Spatial Planning, State Gazette of the Republic of Indonesia Year 2007, No. 68. State Secretariat. Jakarta.
- [69]. Republic of Indonesia, Law of the Republic of Indonesia No. 23 of 1997 on Environmental Management, promulgated Jakarta on 19 September 1997 Secretariat of State RI Jakarta
- [70]. Republic of Indonesia, Regulation of the Minister of Agriculture No. 19 / pementan / OT.140 / 3/2011 on Guidelines on Sustainable Indonesian Palm Oil (ISPO) in general on 29 March 2011 Jakarta
- [71]. Republic of Indonesia, Law of the Republic of Indonesia No. 18 of 2004 on Plantation, promulgated Jakarta on 11 August 2004 State Secretariat of Jakarta
- [72]. Republic of Indonesia, Law of the Republic of Indonesia Number 39 Year 2014 on Plantation. Promulgated Jakarta on October 17, 2014 Minister of Law and Human Rights of the Republic of Indonesia

Alexander Candra Environmental Accounting Analysis in Palm Oil Plantation Industry Ratified Law No.39/2014 on Plantation." International Journal of Business and Management Invention (IJBMI), vol. 6, no. 11, 2017, pp. 53-68.