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Corporate Social Accounting and the Enhancement of Information Disclosure among Firms in Nigeria: A Case of Some Selected Firms in Nigeria

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Abstract
This study evaluates Corporate Social Accounting and Enhancement of Information Disclosure among selected some quoted firms in Nigeria. Questionnaires were administered to randomly selected respondents made up of accountants of management cadre from the selected firms. The data collated from respondents were analysed and tested using One-Way ANOVA and Chi-square statistical tools. The study among other things revealed that the inclusion of corporate accounting reports as an additional but distinct report in the annual statements will significantly enhance information disclosure to stakeholders. The study also found out that most companies in Nigeria presently disclose social accounting information in their annual reports via the Directors' Report, Chairman's Statement and Notes to the Accounts while these report are shown with very short/scanty qualitative information. This paper therefore recommends among others that companies should consider social accounting reports imperative and make it a distinct but an integral part of the financial statements to be presented annually; suitable accounting framework should be propounded by relevant accounting bodies to guide and steamline the reportage on social accounting information by corporate organisations while the government should put in place the neccessary legislations to compel organisations to disclose social accounting information in Nigeria.
Keywords: corporate social accounting, social accounting, social costs, social performance, financial statements.

1.0 INTRODUCTION

1.1 BACKGROUND TO THE STUDY

Corporate Social Accounting as a concept can be said to evolve in the United Kingdom in the early 1970s. The reporting of the social effect of companies became an issue in the U.K. in the 1970s(Wood and Sangster, 2002). Globalization brought to the fore the realization that companies do not operate in isolation but have marked impact on the environment and people at the local, national and global level and this had led to the increasing awareness of corporate social responsibility (CSR) and the concept of the triple bottom line.

The concept emphasises that a business's success should not only be measured based on its financial performance but should include its social impact of its operations(Selvi, 2007). He further notes that the Triad Craft and New Economic Foundation (NEF) pioneered a form of social accounting in the early 1990's with an aim of getting companies to voluntarily establish engagements with stakeholders.This move assisted and got both diverse organisations both commercial and Non-Governmental organizations address basically environmental, social and economic issues and this has been firmly established as political agenda since the 1980s.

Large corporations also have responded to public demands for more information about green issues(Wood and Sangster,2002). They averred that oil companies in particular produce notable amount of additional information in their annual reports, which include details about the company's waste disposals practices, attitudes towards pollution and natural resources depletion as well as overall environmental policy. They opined that many companies combine to avoid any non-mandatory social reporting, and many instance have been reported of organization claiming to be socially responsible when they were in fact anything but that. Alexander et al (2003) stated that the Triple Bottom Line(TBL) is a concept whereby companies voluntarily take on board social, environmental and economic issues and report on them. The European Commission (EC) endorse the Tripple Bottom Line Approach in its green paper and suggests that all elements, social, environmental and economic can be taken together, create more productive and profitable business. The TBL approach information is provided on the following parameters namely economic, social and environmental. The economic aspect of the report entails creating a parameter that spells out the financial and non-financial information as is currently spelt out in the annual accounts and reports of companies.

- **Environmental:** the environmental aspect spells out the effects of the activities of the organisation on the environment.

- **Social:** spells out the values, ethics and relationship with various stakeholders.

  Davies et al (2007) noted that the concept of Corporate Social Accounting was first muted when the Accounting Standard Steering Committee (ASSC) set up a Sub- Committee in the 1970s with a mandate to prepare a wide range of discussion paper. The Sub-Committee came up with a report in 1975 published under the title: " The Corporate Report" which is addition to identifying the user of corporate financial reporting also recommended a general framework for financial reporting and also recommended some possible extension to the accounting framework such as statement of value added and employees report. Alexander Britton and Jorrison (2003) concurred to the claims of Davies et al (2007) by stating that in 1975, social accounting was suggested in the U.K. via the corporate report. Ramanathan(1987) argued that the challenges involved in accounting for corporate social performance has engaged the particular attention of major accounting institutions in the United States since 1970s for example the study group on objective of financial statements (1973) proposed as an objective of the financial statement the reporting of those activities of the firm, which have major social impact. The American Institute of Certified Public Accountant (AICPA) studied the problems of developing measurement system for social accounting in one of its report dated back in the 1970s. Also the American Accounting Association (AAA) Committee have since concerned with the broad areas of social accounting (i.e AAA report of 1971, 1972, 1973,1974, 1975, 1976). The association sponsored major research studies on social cost measurement problems. Ramanathan (1987) succinctly pointed that historically, the theory and practice of accounting has developed in four interrelated phases a framework of objectives, valuation concepts, measurement methodology and reporting standards and there is no reason to believe that the evaluation in social accounting will not follow the same course or pattern.

There have been an increasing demand on organisations to be more responsive to the issues concerning the communities in which they operate and for them to take issues like social responsibility management, social responsibility accounting and environmental impact very seriously. This had culminated into the development of a concept known as "social responsibility accounting". Social accounting is simply describing in non-normative terms how the accountant reports on the activities of the organization's internal and external social environment. Gray(2000) defined social accounting as the"preparation and publication of an account about an organisation's social, environmental, employee,community, customer and other stakeholder interactions and activities and, where, possible the consequences of those interactions and activities". Social accounting is the reporting of those costs and benefits which may or may not be quantifiable in money terms, arising from economic activities and substantially borne or received bythe community at large or particular groups not holding a direct relationship with the reporting entity(Alexander and Britton, 2000). There however remains the protracted debate about the legitimacy and value of corporate responses to Corporate Social Responsibility concerns and the valuation , presentation disclosure modalities in the financial statements. There are different views of the role of the firm in society and disagreement as to whether wealth maximization should be the sole aim of an organisation or not. Wealth maximization if adopted as the sole aim of corporate existence. This is because the environment of a corporate organization is both internal and external and each affects the performance of any business. Both the internal and external social environments converge at a point in the determination of organizational strengths, weaknesses, opportunities and threats.

In Nigeria, many organisations in one way or the other have show some levels of interest in their host communities but have not given the needed financial reporting touch to these expenses. Most of the disclosures are done via the director's report or notes to the accounts but they are not explicitly disclosed or made to be part of the financial statement. This study examines the Corporate Social Responsibility Accounting Practice in Nigeria. The study is challenged to examine the practices at present and device best practices on the topic. To do this , the rest of this study is divided into four sub-sections namely- review of related literature, research methodology, presentation and analysis of data, summary of findings and recommendations.

1.2 STATEMENT OF THE PROBLEM

The traditional accounting has focused on establishing accounting framework that measures corporate success based on the maximization of shareholders' value by the level of profits made. According to Canadian Centre for Community Economic Development Technical Assistance Programme (CEDTAP, 2008) report noted that given the lack of common practices around social impact assessment, many ventures are judged solely by their financial metrics even when their activities has a lot of social impacts. This trend has led a number of corporations to either neglect incurring costs or fail to reflect these costs as they are supposed as they are often considered non-financial. Social accounting provides an accounting platform to articulate social and or/environmental objectives which are traditionally not reflected in accounting statements. This study will seek to provide answers to such questions like "what difference do corporate actions make in economic, social and environmental terms?".

There is also the need to establish best approach to appropriately develop a social bookkeeping and accounting system that will capture relevant social data and value them. There is also the challenge of determining if existing financial accounting system be modified to incorporate social accounting system or another separate accounting system be established to take care of social accounting and reporting. This study aims at proffering solutions to the above numerous puzzles.

1.3 Objectives of the study

This study broadly aims at providing a basis for accounting and reporting the financial and non-financial, social, economic and environmental costs incurred by corporate organizations in Nigeria and the benefits of such reports. Other objectives of this study are to:

1. Ascertain if the inclusion of social accounting information in the financial statements will significantly enhance information disclosure;
2. Assess the impact of disclosure of social accounting information on firms' corporate value;
3. Seek the opinion of accountants on the cost-best approach to account for social responsibility expenditure in the financial statements;
4. Seek the opinion of accounting practitioners on the preferred way of presenting social accounting information in the financial statements.

1.4 Research questions

The following research questions will guide this study;

1. Would the inclusion of social accounting information in the financial statements enhance disclosure to stakeholders?
2. Would the disclosure of social accounting information enhance firms' corporate value?
3. Does the opinion of accounting practitioners in Nigeria significantly differ as regards using cost-best approach as a basis to account for social responsibility expenditure in the financial statements?
4. Does the opinion of accounting practitioners in Nigeria significantly differ on the preferred way of presenting social accounting information in the financial statements?

1.5 Statement of hypotheses(Null)

H0: The inclusion of social accounting information in the financial statements does not enhances disclosure to stakeholders.

H0: The disclosure of social accounting information will not enhance firms' corporate value.

H0: There is no significant difference among accounting practitioners in Nigeria on the choice of cost-benefit as basis for valuing expenditure on social responsibility by corporate organisations.

H0: The difference among accounting practitioners' opinion in Nigeria on the proposed form of presentation of social costs incurred by firms in the financial statements for financial reporting is not significant.

2.0 REVIEW OF RELATED LITERATURE

2.1 CONCEPTUAL FRAMEWORK OF SOCIAL ACCOUNTING

Social Accounting has been defined by various scholars as vehemently opposed to the common practices where many business ventures are judged solely by their financial metrics. Social Accounting in addition to financial metrics broadens the scope of reporting to embrace social and /environmental objectives which are traditionally not reflected in accounting statements,(CEDTAP PATDEC Report,2008). Gray et al (1996) defined social accounting as the process of communicating the social and environmental effect of organization's economic activities to particular interested groups within society at large. As such it involves extending the accountability of organization beyond the tradition role of providing financial accountability to the owners of capital, in particular shareholders. Such an extension is predicated upon the assumption that companies do have wider responsibility than simply to make money for their shareholders.

Selvi(2007) defined social accounting as a way of demonstrating the extent to which an organization is meeting its stated social and ethical goals. Wood and Sangster (2002) relates social accounting to how to report upon the application of social policies adopted by organization and upon how they have impacted upon the organization and the environment. They went further to state that "an organization that does so effectively will not only be providing user group stakeholder-with rich information from which to form a view concerning their social ethics, but also serving as a tool for improving performance of the organizations and enhancing the ability to take decision, appropriate for longer term survival and prosperity. They noted that organizations are now being legally and ethically compelled to focus their attention and energy on corporate social responsibility (Wood and Sangster,2002). Alexander and Britton (2000) postulates that social responsibility accounting is the reporting of those costs and benefits which may or may not be quantifiable in money terms arising from economic activities and substantially borne or received by the community as large or particular group not holding a direct relationship with the reporting entity. Alexander, et al (2003) stated that most social reporting tends to be descriptive and narrative and this is as a result of defaulting of measurement of social and environmental factor and applying accounting concepts to these factor. Wood and Sangster (2002) according to the last statement made by Alexander et at (2003) further averred that reporting of non-financial information usually takes the form of narrative disclosures, sometimes supported by statistical summary. They said that as much, social accounting is non mandatory (because of the unique features) comparison with other companies is difficult if not point less and misleading because of lack of uniformity and standardized and there tend to be a positive bias of what is reported. Most companies tend to report only good news in their social report and this is as a result of the absence of reporting and regulatory standards.

Dego (1985) defined social accounting as the measurement and reporting of internal and external information concerning the impact of an entity and its activities on a society. Social accounting provides a framework to listen to what people the stakeholders- have to say about an organization, the value it holds, the services it renders or delivers and the impact it has on the social environment and economic objectives, to sum it up, social accounting enable organization to prove and improve, what make it stands apart from many other evolution method is that the information gathered to produce social accounts are checked and verified by an independent panel that is the audit bit (social auditor) but noted that it does not provide an additional rigour to the process (Selvi 2007).

Selvi (2007) further posits that social accounting is a process whereby organization may monitor and evaluate its work report honestly on its achievement and failing to improve its performance through more informed planning and better management. Social accounting engages the stakeholders of an organization but noted that like any other accounting system, to be effective, social accounting must be customized to the need of each organization (Selvi, 2007).

Selvi (2007) went further to describe the process of social accounting which is as follows:

- Internal data collection and analysis procedure accounting.
- An independent audit of the result (auditing).
- A mechanism for disseminating the outcome more widely (reporting.

Mathew and Perrera(1996) aptly described social accounting as the framework which allows an organization to build on existing documentation and reporting and also develop a process whereby it can account for its social performance, report on that performance through which it can understand its impact on the community and accountable to its stakeholders. Therefore social accounting engages key stakeholders of an organization involving them in the process of social accounting. Infact it can be said that social accounting is concerned with learning about the effect an organization has on the society and about its relationship with the stakeholders that is all affect or affected by the organization and its activities (Mathew and Pereira, 1996). Organizations and all its stakeholders need to know if its objectives are being met, if it is living to its value and to ensure that those objectives (social) and values remain appropriate and relevant and that social accounting has been one major stepping stone in the improvement in corporate social responsibility and for many organization that undertake the process, it is the first time that attempt have been made to go beyond financial measurement and understand the social impact that the organization has on its stakeholders, their the process it viewed as a good step towards impact assessment (Selvi, 2007) . He further posits that the term social accounting has had some to perceive it as separate from environmental accounting rather than an aspect of the same thing. He therefore summoned it up by stating that “social accounting is about the process of recording, consulting reporting the process’.

2.2 OBJECTIVES OF SOCIAL ACCOUNTING

The general objectives of social responsibility accounting as propounded by Muhammad and Jamel 2008, Ramanathan 1987, Gloutier and Underdown are basically-

- determine and measure the net social contribution of the organization on a periodic basis. This not only includes the elements of internal costs and specific benefits of the organization, but also includes the elements of cost and external social benefits that influence segments of the community.
- evaluate the social performance of organizations by identifying whether the organization's strategies and objectives are consistent with the social priorities and the organization's ambition to ensure individuals a reasonable percentage of profits. The relationship between the economic performance of business organizations and social welfare lies at the core of social responsibility accounting. This requires an appropriate mechanism to measure social performance.
- disclose the activities that have social influence carried out by the organization. This objective underlines the need for appropriate data on the social performance of the organization and the extent to which it contributes to achieving social objectives.

The basic principles of social accounting are completeness,comparability,embedding,external verification,disclosure and continuous improvement, Selvi (2007).

2.3 VALUATION BASIS FOR SOCIAL ACCOUNTING

According to Gloutier and Underdown (1991) in Davies and Okorite (2007) the three main approaches for social accounting are namely descripritive,cost-outlay and cost-benefit approach.

Descripritve Approach:This approach advocate the listing of all corporate activites which may be reported in from of short sections in the annual report to shareholders, or in a separate publication dealing with corporate social responsiblity. The disadvantage of this approach is in it not being quantified to enable a good assessament of corporate responsiveness toward social responsibility.

Cost-Outlay Approach: This approach lists corporate expenditure on each social activity undertaken, quantified in money terms. One major advantage of this approach it that it make comparison of achievements betwen successive years possible. The disadvantage of this approach are that it does not disclose benefit made and therefore does not comply with the accounting matching concept and secondly it may include inefficient programmes.

Cost-Benefit Approach: This approach matches expenditure incurred on each social activity with the benefits associated with it. The disadvantage of this approach it that it is usually difficult to quantify some elements of benefits as they are qualitative intuitive and subjective.

2.4 MEASUREMENT CRITERIA IN SOCIAL ACCOUNTING

Raymond Buer (1974) recognized the necessity of an information system to detect measure, evaluate and respond to social impact. The dimensions of this information system are however limited to three namely: regular trend series of social indicators, special mechanism for gathering data and some means of reporting this information back. Raymond Buer (1974) has enunciated two measurement criteria for social accounting and reporting and they are: measure of cost efficiency and easure of cost benefit.

- **Measure of cost efficiency:** This criterion involve those that construct an index of suitability, desirability, sufficiency and appropriateness of cost level.
- **Measure of Cost benefit**: This criterion involve those the monetize the welfare function in order to generate time discounted benefits to society and then compare those benefit to costs by several more or less acceptable techniques.

According to Mathew and Perrera (1996), the American Accounting Association (AAA) in the report of the Committee on Social Cost (1975) suggested three level of measurement involved in the development of social accounting. These level are: where the activity (social) is identified and described and where the activity is measured using non-monetary units. The polluting materials are measured in terms of rate of discharge, the time of the flow and the compliance of existing standards formulated in physical terms i.e quantified only in terms of outcome or output .Where attempts are made to value the effects of the discharge. The measurement is converted to financial estimates of cost and benefits applicable to all stakeholders, ranging from stakeholders to the general public..According to Mathew and Perrera (1996), the level 111 measurement is most difficult because it involves valuation and the assignment of costs to events, which are external to the organization. Example might be damage to the paintwork of neighboring housing areas, destruction of parks and gardens and the creation of health problems. These valuation problems may be difficult to overcome and the value assigned to the effects of pollution will be open to dispute. The discounting to the present value of the cost of future events, such as repairs or replacements or the payment of damages, is obviously problematic. These measurements are made however, in calculating compensation for injury, loss of earnings or death from accident, thus providing some experience to aid the computation of the effect such as externalities. Even if the local pollution measurement and valuation issues can be resolve difficulties will arise more damage is remote from the source in terms of time and distance. To continue the sulpur dioxide example, the effect of low level of atmospheric sulpur over log periods of time may be damaging to health than is currently recognized. This development (because it is currently unknown) cannot be allowed for in our valuation. Similarly, if sulpur dioxide discharged in one country leads to acid rainfall in another many mile away. This event cannot be measured in any meaningful way at the present time (time and distance measurement), opined Mathew and Perrera (1996). Davies and Okorite (2007) in their work captioned the measurement of social contribution" espoused that is a general acceptance of the concept of social responsibility. They also acknowledge the facts that there is the problem of measurement as it is difficult to quantity some expenditure incurred and some benefits derived. They said that the measurement of social contribution is dependent on who determines what social responsibility is. There were also some techniques recommended for giving values to quantitative social responsibility by Dego (1984) in Davies and Okorite (2007) are:

- **Surrogate valuation:** This is the assignment of value of an activity to the social activity in question.
- **Survey method:** This method determines the value of social activity by obtaining information through a survey of those within the community who make the sacrifice.
- **Appraisal:** This method uses the service of experts to carryout independent valuation in order to place value.
- **Court Decision:** Paying for damage as determined by the court. For example in the case of the very recent case of oil spillage in part of Rivers state attributed to Chevron. The community or state may decide to take the company and the court will decide the compensation.
- **Analysis:** This involves the analyses of available economic and statistical data with the aim of placing a value.

2.5 PROBLEMS OF SOCIAL ACCOUNTING

Alexander et al (2003) opined that traditional accounting system was based around concepts of monetary measurement, going concern and accrual. Money measurement requires that only those facts that can be recorded in monetary terms with some objectivity and verifiability are taken into account even if other facts are extremely relevant. Socials and environmental factors are very difficult to be amenable to measurement in monetary term how for example; can you place monetary measure on damage being done to the environment through car exhaust emission of employee traveling to work? They asked.

Also, Alexander et al (2003) in their work; measurement problems for social accounting" stated that the going concern requires that in the absence of evidence to the contrary it is assumed that the enterprise will continue into the future. This concept is principally concerned with solvency and financial performance, not with the impact of social and environment factors. For example, in assessing going concern for shell, there is little consideration if neglect for social and environmental concerns would ever force them out of business. Also accruals require matching of expense and the generating revenues such matching concept may become impossible in social and environment accounting. Raymond Buer (2974) postulated social problem obtaining social measure are:

i) Social system are fluid, non-stationary system where overtime various indicators relevant at some point become out moded and new problems emerge which require new social indicators.

ii) Social accounting system relies often on indirect measurement e.g. measuring societal concept by using data originally collected for other purpose.

iii) Social system use formalistic – aggregative measurement of collective attributes and:

iv) Often there is inconsistency between societal concepts as theoretically formulated and the operational definition by which it is empirically measured. Fractional measurement he said accordingly appears, since it is difficult to construct an operational definition that cover a concept of all attributes. Amplifying his argument, on fractional measurement, Buer (1974) averrerd that a social program usually requires the use of more that one indicator for example the quality of educational program cannot be measured solely by the number of degrees granted.

According he said that any measurement for a social program that relies on a single indicators should be viewed as dubious.

He further stated that using two or more indicators (social0 of different dimensions provide some assurance against fractional measures. To develop reliable measurements for social programs various dimensions must be specified. Indictors may be combined into an overall index to measure the dimension and later aggregated for all dimensions he noted.

Raymond Bure (1974) also pointed that there is more over reliance on quantitative dimensions of measurement and less on qualitative dimension. A social, measurement system cannot ignore the qualitative dimensions including indices dealing with social programs. New approaches he sated are needed which may be similar to quality control. At this junction it becomes germane to define a social program as a plan of action introduced into society for the purpose of producing a change in the status of the society or some of it members. The program may only affect a minority of members of society such as aid to the blind.

2.6 IMPLICATIONS OF SOCIAL ACCOUNTING ON FINANCIAL REPORTING

Raymond Buer 1974 classified the key implications of social accounting on the accounting profession thus-

- Social accounting will offer opportunites for accountant to expand their profession and to perform valuable socially responsible services.
- Development of a theortical base or framework for social accounting. This would certainly create a better conceptual base from when to enter social accounting at some future time and would also maintain a core ggroup of specialist knowledge in that area.
- Social accounting will expand the areas of specialization within the accounting profession.
- Social accounting will also provide more interaction formal and informal with other professions, particuarly with social scientists sociologists and statisticians. It would provide more education and professional scholars.
- The practice of social accounting there will help to establish defined ethical standards among organisations.
- It will provide a detailed insight to the public on how management and especially accountants are treating social issues.
- Social accounting will provide the impetus for more research and development in the field of accounting.

2.7 CHALLENGES OF IMPLEMENTING SOCIAL ACCOUNTING

The major challenges as as a challenge towards implementing social accounting in organization
s Selvi (2007) and Martian(2007) are-

- Issue of measuring the value additions to resources that is invested in social processes

- Issue of inventing a social book-keeping system
- Issue of establishing a social accounting report format which integrates both narrative as well as financial report which could be independently verified and generally acceptable.

Martin (2007) stated that a full set of social account is likely to include the following:

- ❖ A report on performance against the stated objectives (how well have we done what we said we would do?).
- ❖ As assessment of the impact on the community (can this be measured?). (what do people think?).
- ❖ The view of stakeholders on our objectives and values- (are we doing the "right" things? Are we walking our talk"?
- ❖ A report on environmental performance (are we "living rightly" and minimizing resource consumption?
- ❖ A report on how we implement equal opportunities (do we effectively encourage social inclusion?)
- ❖ A report on compliance with statutory and voluntary quality and procedure standards (Do we do what is expected of us and more?).

3.0 STUDY METHODOLOGY

3.1 RESEARCH DESIGN- This study is has adopted theoritical, conceptual and survey research design.

3.2 Population of the study: The area of study is Nigeria. The study population constitutes some selected corporate organisations in Nigeria. Since studying this population will be near impossible, the researcher randomly selected three industries for this study namely the banking, manufacturing and the academia/ university. The population for this study is one hundred and forty eight (148) respondents.

3.3 Sample and sample technique: A sample size of 108 was statistically determined using the Yaro Yamane formula that is

$$n= \frac{N}{1+N(e)^2}$$

Where
N= Population
e= Limit of tolerable error
n= Sample size
1= constant

Therefore substituting the figures given that population is 148, limit of tolerable error is 5%

$$\frac{148}{1 +[148(0.05)^2]} = 108$$

Therefore n, the sample size is 108.

3.4 Description of respondents: The respondents to this study comprises of accountants from some selected banks, the manufacturing industry and the academia.

3.5 Method of Data collection:

The primary data was sourced through questionnaire and interview while secondary data was gathered from scholarly journals, annual published accounts of companies, the internet and other relevant materials. Primary data was gathered through a structured questionnaire which was designed using 5-point Linkert scales ranging from strongly agree (5) to strongly disagree(5). The instrument has sixteen close-ended questions. Out of the One Hundred and Eight (108) questionnaire distributed, Eighty four (84) were returned. This indicates a 77.78% response and will be used for the analysis.

3.6 Method of data analysis : The data will be analysed using Chi-square and One- Way Anova statistical tools.

4.0 PRESENTATION AND ANALYSIS OF DATA

This chapter presents the data collected using questionnaire and focus group discussion. Out of the 108 questionnaire distributed , 84 were returned and used for this analysis.

Table 4.1 Recognition of Corporate Social accounting information in the Financial Statement (Analysis of data based on industry).

Scale	**5**	**4**	**3**	**2**	**1**	
Industry	**SA**	**A**	**UN**	**D**	**SD**	**Total**
Banking	14 (16%)	8(9.52%)	- (0%)	2(2.38%)	1(1.19%)	25(29.09%)
Manufacturing	18(21.43%)	5(5.95%)	1(1.19%)	1(1.19%)	2(2.38%)	27(32.14%)
Academia	20(23.81%)	9(10.71%)	-(0%)	2(2.38%)	1(1.19%)	32(39.28%)
Total	**52**(61.9%)	**22**(26.19%)	**1**(1.19%)	**5**(5.95%)	**4**(4.76%)	**84**(100%)

Source: Field Survey, 2012.

Note: N= Respondents; SA= strongly agree; A=Agree; UN=Undecided/indifference; SD=strongly disagree; MIS= Mean Item Score

Table 4.2 Recognition of Corporate Social accounting reports in the financial statement (Analysis of data based on years of experience).

Scale	**5**	**4**	**3**	**2**	**1**	
Experience(Years)	**SA**	**A**	**UN**	**D**	**SD**	**Total**
Less than 5 years	16 (19.48%)	6(7.14%)	1 (1.19%)	1(1.19%)	-(0%)	24
Between 5-10 years	24(28.57%)	12(14.29%)	-(0%)	4(4.76%)	3(3.57%)	43
Above 10 years	12(14.86%)	4(4.76%)	-(0%)	-(0%)	1(1.19%)	17
Total	**52**(61.90%)	**22**(26.19%)	**1**(1.19%)	**5**(5.95%)	**4**(4.76%)	**84**(100%)

Source: Field Survey(2012).

The above table shows that 74(88.09%) of the respondents are of the opinion that the inclusion of social accounting reports will significantly enhance disclosure to stakeholders. 1(1.19%) person was undecided while 9(10.71%) of the respondents were of the opinion that its inclusion will not significantly enhance disclosure in the financial statements. Those in support believe that it will show how the organisations have carried their host communities and other stakeholders along in their programmes. They are also of the opinion that such reports should be distinct from the normal profit and loss account while the very huge costs should be capitalized and amortized over a reasonable period.

4.1 Test of Hypotheses:

Null Hypothesis 1: The first hypothesis which states that the inclusion of Corporate Social Accounting information significantly enhance disclosure to stakeholders was statistically tested with Chi-square and the hypothesis was accepted. The table below was used as a basis for the analysis is shown in **table 4.3** thus :

Table 4.3 Chi-Square Contigency Table on the opinion of accounting practitioners concerning the inclusion of Corporate Social Accounting reports in the financial statements.

Inclusion of corporate social accounting report significantly enhances disclosure

Scale	**5**	**4**	**3**	**2**	**1**	
Industry	**SA**	**A**	**UN**	**D**	**SD**	**Total**
Banking	14 (15.5)	8(6.5)	0 (0.3)	2(1.5)	1(1.19)	25
Manufacturing	18(16.7)	5(7.1)	1(0.3)	1(1.6)	2(1.3)	27
Academia	20(19.8)	9(8.4)	0(0.4)	2(1.9)	1(1.5)	32
Total	**52**	**22**	**1**	**5**	**4**	**84**

Source:Field Survey, 2012.

Chi-Square formular**:** $X^2 = (o_1\text{-}e_1)+(o_1\text{-}e_1)+$ - - - - -- - -- -- --$+(on\text{-}en)^2$

Critical values (df=8) , level of significance 0.05. X^2 critical = 15.507 while X^2 calculated= 4.7219

Decision Rule: 1. Reject H0 if the X^2 calculated > X^2 critical value.
2. Accept H0 if otherwise.

Decision: Since X^2 calculated < X^2 critical value at 0.05 level of significance and 8df, the null hypothesis is accepted and reject the alternative.

The above analysis shows that calculated X^2 (4.7219) at 0.05 level of significance. By rejecting the alternative hypothesis, it means that most of the respondents are of the opinion that the inclusion of corporate social accounting report in the financial statement will significantly enhance disclosure to stakeholders.

Test of Hypothesis 2: The second hypothesis which states that the disclosure of social accounting information will significantly enhance firms' corporate value was statistically tested with Chi-square and the hypothesis was accepted. The table below was used as a basis for the analysis is shown in table 4.4 thus :

Disclosure of social accounting information's will significantly enhance on firms' corporate value.

Scale	**5**	**4**	**3**	**2**	**1**	
Industry	**SA**	**A**	**UN**	**D**	**SD**	**Total**
Banking	12 (15.5)	10(6.5)	1(0.3)	1(1.5)	1(1.19)	25
Manufacturing	16(16.7)	7(7.1)	1(0.3)	2(1.6)	1(1.3)	27
Academia	19(19.8)	8(8.4)	1(0.4)	2(1.9)	2(1.5)	32
Total	**47**	**25**	**3**	**5**	**4**	**84**

Source:Field Survey, 2012.

Chi-Square formular**:** $X^2 = (o_1\text{-}e_1)+(o_1\text{-}e_1)+$ - - - - -- - -- -- --$+(on\text{-}en)^2$

Critical values (df=8) , level of significance 0.05. X^2 critical = 15.507 while X^2 calculated= 7.5579

Decision Rule: 1. Reject H0 if the X^2 calculated > X^2 critical value.
2. Accept H0 if otherwise.

Decision: Since X^2 calculated < X^2 critical value at 0.05 level of significance and 8df, the null hypothesis is accepted and the alternative hypothesis is rejected.

The above analysis shows that calculated X^2 (7.5579) at 0.05 level of significance. By rejecting the alternative hypothesis, it means that most of the respondents are of the opinion that the inclusion of corporate social accounting report in the financial statement will significantly enhance firm's profitability.

Hypothesis 3: This hypothesis states that there is no significant difference among accounting practitioners in Nigeria on the choice of cost-benefit as a basis for valuing expenditure on social responsibilities in the financial statements. One way ANOVA statistical tool was used to test the hypothesis and the hypothesis was accepted.

Table 4.5 shows the result of the analysis-

Table 4.5 One-Way Analysis of variance for comparing the opinion of accounting practitioners on the approach to accounting for expenses on corporate social expenses.

Sources of variation	df	Sum of squares	Mean squares	F- cal	F-critical	Significance	Decision
Between groups Within groups	2 12	1.04 440.4	0.52 36.7	0.01417	3.89	NS	Accept Ho
Total	14	441.44					

Decision: From the above analysis, the F-critical(3.89) at 2 and 12 degrees of freedom at 0.05 level of significance. Since the computed value of F(0.0046) is less than the critical value of 3.89, we have good reason to accept the null hypothesis Ho. This means that there is no significant difference among accounting practitioners on the approach to accounting on expenses on corporate social responsibilities in the financial statements. It means that most of the accountants are in support of the presenting social responsibility accounts as a separate report in the annual reports. Thus most of the accountants prefer that expenses be reported on cost-benefit-approach which according to their opinion has the ability of matching cost with benefit derived from the expenditure by the stakeholders. The cost-benefit approach,descriptive and cost-outlay approaches are advocated for valuing expenses on corporate social responsibilities(Gloutnier and Underdown, 1991). While the descriptive approach recommend the listing of all corporate activites which may be reported in form of short sections in the annual report to shareholders, or in a separate publication dealing with corporate social responsiblity. The cost outlay approach lists corporate expenditure on each social activity undertaken quantified in money terms.

Testing of Hypothesis 4: This hypothesis states that the difference among accounting practitioners' opinion on the proposed format for presentation of social costs incurred by firms in the financial statement for financial reporting is not significant. This hypothesis was tested statistically using one way ANOVA and the hypothesis was accepted and the result is presented in table 4.4 below. Thus-

Way One-Way Analysis of variance for comparing opinion of accounting practitioners on best forrmat of presenting Social Responsibility Accounting and reporting.

Table 4.5 One-Way Analysis of variance for comparing the opinion of accounting practitioners on the best approach to account for expenses on corporate social responsibilities.

Sources of variation	df	Sum of squares	Mean squares	F- cal	F-critical	Significance	Decision
Between groups Within groups	2 12	1.04 502.40	0.52 41.867	0.0124	3.89	NS	Accept Ho
Total	14	503.44					

Decision: From the above analysis, the F- critical(3.89) at 2 and 12 degrees of freedom at 0.05 level of significance. Since the computed value of F(0.0124) is less than the critical value of 3.89, we have good reason to accept the null hypothesis Ho. This means that there is no significant difference among accounting practitioners of the studied industries on the way of presenting social accounting information in the financial statements. It means that most of the accountants are in support of the presenting social responsibility accounts as a separate report in the annual financial statements.

5.0 FINDINGS , CONCLUSION AND RECOMMENDATION

From this study , the researcher found out that the inclusion and separate presentation of social costs incured by organisations in the financial statements will enhance information disclosure in the financial statement. The research also shows that accounting practitioners adopted the cost-benefit approach as a basis for valuing the social cost expenditures. It was also deduced that companies that pursue social goals vigorously and disclose them usually enjoy the benefit of patronage and good reputation in the environment in which they operate and this will lead to increased market share and positive financial performance thereby adding to increase in the firm's value/ net worth.

5.1 Conclusion and recommendations:

This study on social accounting provides basis for social costs to be recognized and treated as being core to the success of the business. The expenditure should also be articulated and treated as expenses that are at core of the performance of the companies. The reports should be prepared qualitatively and quantitatively and disclosed to better inform stakeholders.

The researcher has proferred the following panacea as ways of advancing the practice of corporate social accounting in Nigeria :

- Companies should take social accounting disclosure as part of their normal reporting mandate in order to better inform stakeholders and the report must be separately disclosed and form part of the content report of financial statements.
- The government should provide tax rebates for companies that incure social cost as a way of encouraging good corporate reportage .
- The government should put in place suitable legislations to compel companies to make adequate disclosure of their social activities to the environment.
- Relevant professional accounting institutes of Nigeria should device framework/ standards to guide reporting of expenses on social costs and their presentation modalities.
- There should also be a mechanism for rewarding companies that excel in living up to their social responsibilities while those that default should be penalized.
- National benchmark should be set based on profit declared by companies to help the country meet with yearning needs in employment, environmental, energy , health and educational sectors.

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