IMPERATIVES OF CORPORATE SOCIAL RESPONSIBILITY ACCOUNTING ON THE PERFORMANCE OF SELECTED OIL & GAS COMPANIES IN RIVERS STATE

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Abstract:
The study was premised of the fact that most oil & gas companies in Nigeria have continued to view value creation narrowly, while optimizing short-term financial performance without recourse to stakeholders' social and environmental needs as well as ignoring the broader influence that determine their longer-term success. This paper seeks to establish the imperatives of Corporate Social Responsibility Accounting on the performance of selected oil & gas companies in Nigeria. To this end, seven oil & gas companies were selected from a number of firms in Rivers State, Nigeria. Hypotheses were formulated, and a review of related literature was made. Data were collected through primary and secondary sources. The data were presented and analyzed, while the formulated hypotheses were tested using multiple regression analysis with the aid of the E-View. Based on the findings of this study, we conclude that community disclosure issue, human resources disclosure issues, and product disclosure issues, as measures of corporate social responsibility accounting in the annual reports of companies do not affect the corporate performance of oil & gas companies in Rivers State. The government should put in place suitable legislation for all companies to make adequate disclosure of their activities to the social and Environment, accounting standards to be published locally and internationally and reviewed continually to ensure dynamism compliance and meets environmental situational needs. Firms should also formulate and implement environmentally friendly policies to enhance their completeness.

Keywords*: Community environmental disclosures, Human resources disclosures, Product disclosures*

1. INTRODUCTION

In recent years, there has been increasing interest by scholars, governments and societies to report value in social issues as they relate to accounting. The reason is that most social issues that create value are economic in nature (Davies & Okorotie, 2017; Appah, 2016). A major responsibility of financial accounting is to identify the users of the reports and their needs, then to incorporate information that satisfy such needs in the accounts (Kiabel, 2014). This psychological facet of accounting serves as a system of interface between those who generate the economic values and those who base their decisions on the reported values. This relationship should be based on the double entry principle, such that the values reported are equal to the information needs of the society (Oyadonghan & Eze, 2016). Where the reported value fails to be at par with the informed knowledge of the recipients, which determines the content of the information need, then, the financial statements will create a knowledge gap (Essia, 2015) and goal incongruence (Micheal, 2017). Such incongruence, accounts for disputes, conflicts and industrial breakdowns (Branco, Manuel & Rodrigues, 2017). Relating this to the Nigerian oil/gas sector of the economy, past findings revealed that the lack of corresponding financial report on the environment where such companies operated had resulted in the crisis in the Niger Delta states, thereby causing investment unfriendly environment, loss of income to the government and the affected companies (Appah, 2016).

Beredugo and Ekpo (2019) outlined that the continued existence of an organization lies in its ability to create sustained wealth through persistent economic growth that is corroborated with good corporate governance, favorable social and environment impacts on the society. This is because, some companies that gained economic improvement had brought factory pollution and greater land use, which harmed the natural environment and leading to environmental degradations and social deprivations. This is no doubt anthropogenic. Companies caused it and they should address it (Beredugo & Mefor, 2012).

In view of the above, social and environmental accounting has been a focus of corporate social disclosure in order to address the social and environmental menace and it has been the subject of substantial academic research for more than two decades. Prior researches showed that firms' stakeholders have increasingly desire to access the corporate environmental information and it is a necessary material for decision making (Appah, 2016). During the past few decades, corporate disclosure and reporting environmental information have increased. Corporate environmental disclosure is a part of social reporting and the environmental disclosures are mainly non-financial in nature (Hossain, Islam & Andrew, 2016). Environment accounting involves the identification, measurement and allocation of environmental costs, and the integration of these costs into business and encompasses the way of communicating such information to companies' stakeholders (Bassey, Effiok & Eton 2013). In this sense, it is a comprehensive approach to ensure good corporate governance that includes transparency in its societal activities. The unserious attitude of several firms not taking environmental accounting into consideration makes performance to fall below expectation. This is because environmental accounting helps the firm to record all environmental costs incurred by the business, thereby finding a way of reducing the cost (environmental expenses) so that the business can increase profit. Also, environmental accounting helps firms to disclose to the outside world their ability to be environmentally friendly. According to Pramanik, Shil and Das (2017), some of the specific issues (problems) regarding the environmental accounting and reporting include: identification of environmental cost and expenses, capitalization of cost, identification of environmental liabilities, measurement of liabilities.

Companies are becoming more and more aware of the importance of CSR practice. People's consideration about environmental and social impacts on businesses' performance would be simultaneous with companies' consideration about continuous profitability and sustainable development. Sustainable development for businesses is congruent with sustainable environment, economic growth and societal well-being. Consequently, long-term profitability and success is, to a large extent, a product of natural environment and meeting societies' exact needs.

Arguably, the consciousness of improving the understandability, reliability and relevance of a financial report in relations to environmental exigencies is contingent on an established board committee on environmental risk management that would instigate effective disclosures regarding activities on environmental restorations, fine and penalty, waste management and environmental compensation and also to enhance effective decision making by stakeholders (Beredugo, Ihendinihu & Azubike 2019).

Porter and Kramer (2015) cited that companies continue to view value creation narrowly, optimizing short-term financial performance in a bubble while missing the most customers' needs and ignoring the broader influence that determine their longer-term success. They further argued about how companies overlook the well-being of their customers, the depletion of natural resources vital to their businesses, the viability of key suppliers or the economic distress of the communities in which they produce and sell. Interestingly, companies' performance and stakeholders' perception are intertwined. Practice of environmental and corporate social responsibility accounting would alter stakeholders' perception and subsequently impact on companies' financial performance such as revenue, net profit, return on asset, return on equity, etc. Consequently, the practice of CSR and sustainability reporting would increase financial performance and ultimately increase share price (Hossain, Islam & Andrew, 2016). The findings of different studies measuring the relationship between corporate financial performance and corporate social and environmental

disclosure show mixed results. Some of these researchers found a positive association between profitability and the extent of corporate social and environmental accounting (Beredugo & Mefor, 2012; McWilliams & Siegel, 2017; Bassey, Effiok & Eton, 2013; Hossain, Islam & Andrew, 2016). Prior studies found that CSR activities are only as in common reporting and tend to be self-laudatory (Pramanik, Shil & Das, 2017). There is a gap in the studies concerning any impact of companies disclosing CSR activities towards their financial performance. This issue is important because managers need to know whether their firms would have an economic advantage and receive a positive response from their long-term investors. It is therefore necessary to empirically investigate environmental and social responsibility accounting and its effect on selected oil and gas companies' performances.

PURPOSE OF THE STUDY

The main purpose of this study is to examine the *imperatives of Corporate Social Responsibility Accounting* on the performance of selected Oil & Gas companies. The specific objectives of this study are to:

1. Examine the effect of community environmental disclosures on corporate performance of oil & gas companies in Rivers State.
2. Investigate the effect of human resources disclosures on corporate performance of oil & gas companies in Rivers State.
3. Examine the effect of product disclosures on corporate performance of oil & gas companies in Rivers State.

RESEARCH QUESTIONS

The following research questions will be analyzed in this study:

1. To what extent do community environmental disclosures affect corporate performance of oil & gas companies in Rivers State?
2. To what extent do human resources disclosures affect corporate performance of oil & gas companies in Rivers State?
3. To what extent do product disclosures corporate performance of oil & gas companies in Rivers State?

The following hypotheses will be tested in this study:

Ho1: There is no significant relationship between community environmental disclosures and corporate performance of oil & gas companies in Rivers State.

H_{02}: There is no significant relationship between human resources disclosures and corporate performance of oil & gas companies in Rivers State.

H_{03}: There is no significant relationship of product disclosures and corporate performance of oil & gas companies in Rivers State.

2. REVIEW OF RELATED LITERATURE AND THEORETICAL FRAMEWORK

2.1 IMPERATIVES OF CORPORATE SOCIAL RESPONSIBILITY ACCOUNTING

The environmental reporting or sometimes known as "green reporting" is one of the voluntary corporate social responsibility accounting included in the financial statements. At the beginning, the issue of social and environmental reporting is somewhat neglected. The nature of accountant's focus is dominated by traditional economic thinking, which tends not to take into account social and environmental impacts (Bassey et al, 2013). In fact, the concern goes more towards cash flows, prices, profits and properly, ecological issues such as quality of air usage of sea and the pollution of rivers are intangible matters, which are easily overlooked.

According to Ekpo, Okon and Beredugo, (2019) advancing social responsibility accounting is associated with risk assessment based on vulnerability and mitigation analysis; evaluating reputation benefits in terms of customer and employee loyalty and quantifying cost savings from eco-efficiency measures. Using corporate social responsibility and environmental accounting to identify new revenue streams in existing and emerging markets required the identification of social and environmental impacts and ways of mitigating exposures. Interestingly, companies willing to experience a growing customer pool for sustainable products and services are expected to turn to the market place to make the biggest difference in conformity with societal expectation and for the common good of all stakeholders as specified in the legitimacy theory which this article is underpinned on.

The legitimacy theory is a generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values and definitions (Nossa, 2015). According to Tilt (2017), legitimacy theory offers a powerful mechanism for understanding voluntary, social and environmental disclosure made by corporations, and that this understanding would provide a vehicle for engaging in critical public debate. Establishing legitimacy which represents the early stages of a firm's development and tends to revolve around issues of competence, particularly financial, but the organization must be aware of socially constructed standards of quality and desirability as well as perform in accordance with accepted standards of professionalism (Appah, 2016). In specific term, companies are expected to conduct their affair in such a legitimate manner that should not be misconstrued to undermine the corporate social and environmental wellbeing of the larger society, and their activities should be adequately communicated.

In addition to the above, the general views of social and environmental accountability are among the unfamiliar concerns. Junaina and Ahmad (2008) in Bassey, Effiok and Eton (2013) identified the some determinants of social and environmental reporting to include:

Financial Leverage: Myers (1999) in Bassey, Effiok and Eton (2013) has used agency theory to assert that political transfer of wealth, from bondholders to shareholders can take place in highly leveraged firms. Agency theory predicts that restrictive covenant may be written into debt contracts to protect firm's economic interests. Management may also voluntarily disclose information in financial report for monitoring purposes. Thus, agency theory predicts that the level of voluntary disclosure increases as the leverage of firm grows. Pramanik, et al (2017) suggested that the proportion of outside capital tends to be higher for larger firms as the potential benefits of voluntary disclosure increase with shareholder-debt holder-manager conflicts. Moreover, companies with high leverage may disclose more information to satisfy the needs of long-term creditors and to remove suspicions of debt holders regarding wealth transfer (Myers, 1999 in Bassey, Effiok & Eton, 2013).

Profitability: There are two different conceptions regarding profitability and the tendency to disclose voluntary information. First, more profitable firms are more likely to disclose more while less profitable firms tend to be more secretive. Profitable firms may be more inclined to disclose more information in order to screen themselves from less profitable firms (Bassey et al, 2013). A well-run company has incentives to distinguish themselves from less profitable company in order to raise capital on the best available terms, one way to do this is through disclosure. Campbell (2019) also argued that managers of very profitable companies would use external information in order to obtain personal advantages such as continuance of their positions and compensation arrangement, while provides some agency notion of this variable. However, O'Donovan (2018) suggested that there is a certain ambiguity in theoretical and empirical studies regarding the sign of profitability in relation to disclosure and therefore the relationship between disclosure and profitability is non-monotonic. This is because less profitable firms may disclose more information to explain the reasons for the negative performance and reassure the market about future growth. Companies also disclose bad news at an early opportunity in order to mitigate the risk of legal liability, severe devaluation of share capital and loss reputation (Bassey et al, 2013). Many studies have been conducted worldwide to investigate the relationship between financial performance and the extent of corporate social and environmental disclosure. Profitability, as well as corporate financial performance, was used by a number of researchers as an affecting variable on the extent of social or environmental disclosures. The proponents argued that there are additional costs associated with the social and environmental disclosure and the profitability of the reporting company is depressed (Hossain et al., 2016). The findings of different studies indicate mixed results. Several researchers found a positive association between profitability and the extent of corporate social and environmental disclosures (CSED) whereas others found no association between profit measures and CSED. In this study, rate of return on assets are used as the measures of profitability. The following specific hypotheses have been tested regarding profitability.

Pramanik, et al (2017) identified that various interested parties that are interested in environmental information. In the case of certain users, main attention is paid to economic consequences of the influences of the company on the environment; other users are interested primarily in environmental aspects and impacts. Environmental aspects of the company may significantly influence economic results of the company (not only concerning costs, but also concerning revenues) and its financial position. Attention to economic consequences of the company approach to the environment is paid not only by the company management, but also by other interested parties. Investors and creditors are primarily interested, on the other hand, in environmental risks and extent of liabilities arising from these risks. Naturally, owners are also interested in the environmental behaviour of the company. Their attention is paid to economic consequence of environmental behaviour of the company and their impacts on return on investment. Other interested parties, for example, customers, suppliers, competing companies, state bodies, the public, mass media, movements and initiatives concerned with environmental protection, etc. also pay attention to the company approach to the environment. Some interested parties (for example, the public, movements and initiatives concerned with environmental protection) are primarily interested in impacts of the company activities, products and services on the environment. Therefore, it is obvious that needs in the field of environmental information are very diverse. The task of environmental accounting is to fill information needs of all important interested parties (Jaroslava & Miroslav, 2016).

2.1.1 Objectives of Corporate Social Responsibility Accounting and Reporting

Ali (2014) in Appah (2016) provided three objectives of 'Social Accounting' in exhaustive form, which he indicated as 'measurement objective' and other two objectives as 'reporting objectives'. These objectives include:

1. An objective of social accounting is to identify and measure the periodic net social contribution of an individual firm, which includes not only the 'costs' and 'benefits' internalized to the firm, but also those arising for externalities affecting different social segments;
2. Another objective of such type of accounting is to help determine whether an individual firm's strategies and practices which directly affect the relative resource and power status of individuals, communities, social segments and generations are consistent with widely shared social priorities on the one hand, and individual legitimate aspirations on the other;

3. The third objective of such type of accounting is to make available in an optimal manner to all social constituents, relevant information of a firm goal, policies, programmes, performance and contribution to social goals. He also provided six concepts, which are necessary for social accounting. These concepts are social transactions, social overhead, social incomes, social constituents, social equity and social asset.
4. According to Pramanik, Shil and Das (2017), environmental accounting is required to fulfill a lot of demands from different stakeholders. However, for academic reason, the following basic objectives can be identified on logical grounds.
5. Environmental accounting would aid the discharge of the organizations' accountability and increase its environmental transparency; it helps negotiation of the concept of environment and determines the company's relationship with the society in general and the environmental pressure group in particular. This helps an organization seeking to strategically manage a new and emerging issue with its stakeholders.
6. Because of the ethical investment movement, ethical investors require the companies to be environment friendly. Therefore, by upholding friendly image, companies may be successful in attracting fund from "green" individuals and groups.
7. Environmental accounting consumerism movement launched by the environmental lobby groups encourages the consumers to purchase the environment friendly products i.e. green products. Companies, thus producing green products, may take competitive marketing advantage by disclosing the same. By making environmental disclosure, companies may show their commitments towards introduction and change and thus appear to be responsive to new factors (Campbell, 2019).
8. Companies engaged in environment unfriendly industries arose with strong public emotion. There is a strong environmental lobby against these industries. Green reporting may be used to combat potentially negative public opinions.
9. By cultivating the enlighten approach of environmental accounting, companies can increase their image of being enlightened to the outside world and this, can be regarded as enlightened companies (Pramanik, et al, 2017).
10. In order to facilitate social accounting and reporting, Boumment (2014) in Appah (2016) identified five possible areas in which social accounting objectives may be found and each area of contribution of social activities may be measured and reported. These areas are: net income contribution, human resource contribution, public contribution, environment contribution and product or service contribution.

2.1.2. Components of corporate social responsibility Accounting

2.1.2.1. Human resource disclosure

The corporate social responsibilities and environmental accounting of firms are expected to safeguard the environment, support human rights, eliminate child labor, adopt codes of ethics; display openness and transparency in relationships with customers, employees, community groups and governmental organizations as well as promote diversity in the workplace and help communities solve their social problems. Through corporate social and environmental accounting reports, companies include the effect of the organization's activities on its workers as human resources that effectively contribute to achieving the organization's objectives (Ekpo, Okon and Beredugo, 2019).

Accordingly, it includes the activities that contribute to the improvement of the workers' conditions in general, such as the provision of free medical care and the means of occupational safety; together with public benefits such as employment for the disabilities, contributions of health care facilities and other charitable donations. The overall aim is to contribute to the development and welfare of the society (Gamble & Jackson, 1996).

2.1.3.2. Community environmental disclosure

In relation to the environment, activities aimed at reducing the negative impact of the organization's operations on the community environment are adequate accounted for, as a means of providing remediation where necessary. This takes the form of contribution to global warming, ozone layer depleting substance, energy and water consumption and waste management. According to Shaeer (1998) this social and environmental accounting and reporting template is developed for the preservation and protection of the physical environment and natural resources.

2.1.2.3. Product disclosure

PricewaterhouseCoopers defines corporate social responsibility as aligning an organization's products and services with stakeholder expectations, thereby adding economic, environmental and social value.
Corporate social responsibility should also focus on Consumer Protection and Community in order to achieve customer satisfaction and product safety for consumers (Sen & Bhattacharya, 2001). Significant information regarding the production processes and how they affect the environment should be disclosed. Consumers cannot afford to be surcharge and bearing the brunt of environmental degradation and excessive emissions orchestrated by the production processes. This is somewhat counterproductive to the consumer wellbeing at the end of the period. It does not represent sustainability drive in all ramifications. Consumers cannot afford to consume a product today and die of harmful and hazardous environment that is caused by the unwholesome production processes. The effect of product and production process disclosure on consumers' quality of life in the community is becoming essential to address this lingering menace. By this disclosure, it takes the plight of all customers and other stakeholders into consideration in a ways that

all will be well-off at the end, compared to the beginning thereof and would be no means compromise the ability of future generations to meet their own needs.

2.2 Empirical Review

Oyadonghan and Eze (2016) empirically investigated the impact of Social and environmental accounting in Nigerian oil prospecting companies. Three (3) companies operating in the Niger Delta States of Nigeria where randomly sampled with thirty (30) host communities drawn from Delta, Bayelsa, Rivers and Akwa-Ibom states. Secondary data were collected from each company's annual reports from 2002 to 2011 and one hundred and seventy two questionnaires were administered to staff and host community members for direct inter personal information. The researchers used least square regression analysis with the help of Econometric view (E-view) model to analyze the effect of the identified variables on the practice of social and environmental accounting. The study revealed that the sampled companies did not, in detail, report a close to reality estimate of the externalities generated by their production activities but reported the little intervention cost incurred under the directors or the chairman's report. Again, factors such as cost of implementation, the effect on profitability, the existence of a legal frame work, the peaceful environment and top management support affected 79% of the level of implementation of social and environmental accounting practice among the companies studied.

Appah (2016) examined the practice of social accounting disclosure in Nigerian companies. Forty companies from eight sectors quoted in the Nigerian Stock Exchange were randomly sampled. Data were collected from the annual reports of the companies for the period 2010 to 2012 and the level of disclosure is measured using content analysis and descriptive analysis. The paper found that 82.5% of the companies sampled present social accounting information in their annual reports. The results showed that Nigerian companies prefer to disclose social accounting information in the Directors Report, Chairman's Statement and Notes to the Accounts in the form of short qualitative information. Human resources, community involvement and environment were identified as the most popular themes. Hence, the paper recommended, among others, that companies should take social accounting as a moral duty; legislation for all companies to disclose social accounting information in Nigeria; social indicators to be developed at the national level in the area of employment opportunities, environmental control, energy conservation, health care etc and professional accounting bodies in the country should collaborate to expand research in social accounting.

Sutami, Anggraini and Zakania (2016) examined the social and environmental disclosure of BHP Ltd, one of the largest Australian companies, from 1993-2007. Their results lend support to legitimacy motives. Another study conducted by O'Donovan (2018), which used semi structured interviews to identify the perception of senior personnel from three Australian public companies, also supported legitimacy theory as an explanatory factor for environmental disclosure. Bassey, Effiok and Eton (2013) examined the impact of environmental accounting and reporting an organizational performance with particular reference to oil and gas companies operating in the Niger Delta Region of Nigeria. The study was conducted using the Pearson's product moment correlation co-efficient. The elements were selected by means of random and stratified sampling technique. Data were gathered from primary and secondary sources. Data collected were presented using tables and analyzed using the Pearson's product moment correlational analysis. It was found from the study that environmental cost has satisfied relationship with firm's profitability. It was concluded that environmentally friendly firms will significantly disclose environmental related information in financial statements and reports. The study recommended that firms should adopt a uniform method of reporting and disclosed environmental issues for the purpose of control and measurement of performance and that accounting standards should be published locally and internationally and reviewed continually to ensure dynamism and compliance to meet environmental and situational needs. Tilt (2017) analyzed the relationship between corporate environmental policies of Australian public companies and subsequent disclosure. Results showed that Australian companies are surprisingly behind other countries in environmental reporting trends.

Iatridis (2018) reported those firms provided informative accounting disclosures appeared to display higher size, growth and leverage measures. The findings also showed that the disclosure of sensitive accounting information did not adversely affect firms' profitability. In fact, firms that provided detailed accounting disclosures tend to exhibit higher profitability. Nyquist (2018) investigated how the new demands for environmental information are perceived by Swedish accountants. His main findings are: (i) accountants have a positive attitude towards environmental information, (ii) they are asking for more training, and (iii) they find the amount of environmental disclosure tends to increase in the future. Campbell (2019) analyzed the annual reports of 10 UK-based companies in five sectors between 1984and 2010. His findings showed an overall increase in the disclosure volume over the period but with a market upturn in the late 1980s. Adams and Frost (2019) examined the use of the web as a means of stakeholder engagement and as part of a strategy for communication. A key finding was the limited understanding of the advantages of using the web as part of a communication strategy on all aspects of corporate performance. Another study conducted by Van Staden and Hooks (2019) investigated if there is an association between companies that have been identified as environmental responsive and the quality and extent of their disclosures about their environmental impacts. Their results showed a positive correlation between the independent ranking and their ranking of environmental disclosure.

Ahmad, Hassan and Mohammad (2020) examined the incentives that motivate Malaysian listed companies to disclose environmental information in their annual reports. Their results evidenced that environmental disclosure in annual

reports is negatively related with firms' leverage and that their accounts were audited by Big-Five firms. Gao, Heravi and Xiao (2020) examined the patterns and determinants of corporate social and environmental disclosure (CSED) in Hong Kong (HK) by analyzing 154 annual reports of 33 HK listed companies over the period 2003-2007. They reported that industry difference had an impact on the amount, content theme and location of CSED. There is a positive correlation between company size and the level of CSED. Utility companies disclose more CSED than property and banking firms do. Moneva, Rivera-Lirio and Munoz-Jones (2020) also found a positive link between corporate social responsibility and financial performance. They studied 52 Spanish listed firms in six different sectors and measured the CSR level based on GRI guidelines. They found only 58 percent of the firms produce sustainability or CSR reports, and 63 percent of them follow GRI guidelines.

3.0 METHOD OF DATA COLLECTION

This study adopts the cross-sectional field survey of quasi-experimental research design. The survey design was adopted because of the need to gather enough discriminative data across a wide range of the study subjects that further enhanced the generation of our findings. Data used in this study were mainly collected from primary and secondary sources. The statistical and mathematical tools to be used include percentages, frequencies, tabulation, and descriptive statistics while multiple regression analysis was used to test the hypotheses. The multiple regression model is guided by the following linear model:

Y = f(X1, X2, X3) --- (1)

$CFP = \beta_0 + \beta_1 HUR_1 + \beta_2 PRD_2 + \beta_3 COE_3 + \varepsilon$ … ……. (2)

That is B_1-β_3>0 Where: CFP = Corporate Financial Performance; HUR = Human Resources; PRD = Product Disclosure; and COE = Community Environment; β1, β2, β3 are the coefficients of the regression, while ε is the error term capturing other explanatory variables not explicitly included in the model. However, the model was tested using the diagnostic tests of heteroskedasitcity, serial correlation, normality and misspecification (Gujarati & Porter, 2014; Asterious & Hall, 2017). Econometric view (E-view) was applied in the analysis of data. E-views reports p values which can be used as an alternative approach in assessing the significance of regression coefficients. The p value shows what is the smallest level at which we would be able to accept the null hypotheses of a test. We used a 5% level of significance; hence we conclude that the coefficient is significantly different from zero at the 5% level if the p-values is less than or equal to 0.05. If it is greater than 0.05 then we cannot reject the null hypothesis that the coefficient is actually zero at our 5% significance level.

4.0 DATA PRESENTATION

This hypothesis is based on the linear model below:

$CFP = \beta_0 + \beta_1 HUR_1 + \beta_2 PRD_4 + \beta_3 COE_5 + \varepsilon$ ………………..……. (2)

Table 1: Breusch-Godfrey Serial Correlation LM Test:

F-statistic	6.929189	Probability	0.121336
Obs*R-squared	13.34731	Probability	0.101264

Source: e-view output

Table 1, shows the Breusch – Godfrey Serial Correlation LM test for the presence of auto correlation. The result reveals that the probability values of 0.12 (12%) and 0.10 (10%) is greater than the critical value of 0.05 (5%). This implies that there is no evidence for the presence of serial correlation.

Table 2: White Heteroskedasticity Test:

F-statistic	0.942165	Probability	0.496821
Obs*R-squared	9.519861	Probability	0.483577

Source: e-view output

Table 2 shows the White Heteroskedasticity test for the presence of heteroskedasticity. The econometric result reveals that the probability values of 0.496 (50%) and 0.483 (48%) are considerably in excess of 0.05 (5%). Therefore, there is no evidence for the presence of heteroskedasticity in the model.

Table 3: Ramsey RESET Test:

F-statistic	0.067894	Probability	0.794795
Log likelihood ratio	0.071133	Probability	0.789695

Source: e-view output

Table 3 shows the Ramsey RESET test for misspecification. The econometric result suggests that the probability values of 0.794 (79%) and 0.789 (79%) are in excess of the critical value of 0.05 (5%). Therefore, it can be seen that there is no apparent non-linearity in the regression equation and so it would be concluded that the linear model for the accounting services is appropriate.

Table 4: Augmented Dickey-Fuller Unit Root Test

Variable	ADF	1%	5%	Test for Unit root
CFP	-3.816986	-3.4755	-2.8810	I(0)
HUR	-3.759500	-3.4755	-2.8810	I(0)
PRD	-4.355909	-3.4755	-2.8810	I(0)
COE	-3.531538	-3.4755	-2.8810	I(0)

Source: e-view output

Table 4: shows the Augmented Dickey-Fuller unit root test for stationarity of the variables. The result suggests that corporate financial performance (CFP), human resources (HUR), product disclosures (PRD) and COE with ADF of -3.816986, -3.759500, -4.355909 and -3.531538 is less than 1% of -3.4755 and 5% of -2.8810. The result reveals that the variables are stationary at I(0). Therefore, ordinary least square can be applied in the analysis of data when data is stationary at I(0) (Gujarati & Porter, 2014; Asterious & Hall, 2017).

Table 5: Multiple Regression Analysis
Dependent Variable: CFP
Method: Least Squares
Date: 07/03/22 Time: 15:58
Sample(adjusted): 1 113
Included observations: 112 after adjusting endpoints

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	3.275444	2.256856	1.451330	0.1488
HUR	0.285935	0.095662	2.989017	0.0033
PRD	0.273341	0.123184	2.218965	0.0400
COE	0.220526	0.104976	2.100727	0.0327

R-squared	0.318414	Mean dependent var	12.99346
Adjusted R-squared	0.261218	S.D. dependent var	3.098167
S.E. of regression	2.888766	Akaike info criterion	4.997962
Sum squared resid	1226.711	Schwarz criterion	5.116803
Log likelihood	-376.3441	F-statistic	5.567008
Durbin-Watson stat	2.16401	Prob(F-statistic)	0.000100

Source: e-view output

Table 5: shows the multiple regression analysis for the imperatives of Corporate Social Responsibility Accounting and reporting on the performance of oil and gas companies in Rivers State, Nigeria. The result suggests that human resources disclosures, product disclosures and community environment disclosures with p-values of 0.0033, 0.0400 and 0.0327 are less than the critical value of 0.05. Hence, we deduce that there is a significant relationship between social and environmental accounting on the performance of oil and gas companies in Rivers State Nigeria. The R^2 (coefficient of determination) of 0.318414 and adjusted R^2 of 0.285935 shows that the variables combined determines about 32% and 29% of revenue generation. The F-statistics and its probability shows that the regression equation is well formulated explaining that the relationship between the variables combined of performance are statistically significant (F-stat = 5.567008; F-pro. = 0.000100). This result conforms to the findings of Hossain et al., 2016; Haniffa & Cooke, 2016; Iatridis, 2018), where a positive association between profitability and the extent of corporate social and environmental disclosure was reported.

5.0 CONCLUSION AND RECOMMENDATIONS

On the basis of the findings, it was discovered that community disclosure, human resources disclosures and the disclosure of product issues as measures of Corporate Social Responsibility Accounting and reporting in the annual reports of companies, all affect the corporate performance of oil and gas companies in Rivers State. It follows therefore that management of organization with regard to the growing body of environmental laws and regulations should be the same as any other laws and regulations where non-compliance may materially affect the auditor's report.

Until a concrete regulatory standard is developed and embraced by all stakeholders and auditors, it does not mean that companies should ignore the social and environmental issues in their reporting, neither should corporate auditors ignore the issue while conducting statutory audit. Rather, the current existing voluntary standards, such as ISO 40001 if vigorously pursued can bring real benefits to organization and will be a good preparatory ground before regulatory social and environmental reporting standards become mandatory in the future. The government should put in place suitable legislation for all companies to compel them to make adequate disclosure of their activities to the society. Environmental accounting standards should be published locally and internationally and reviewed continually to ensure dynamism compliance and meets environmental situational needs. Firms should also formulate and implement environmentally friendly policies to enhance their completeness.

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