

OUTSOURCING OF ACCOUNTING AND FINANCE SERVICES IN NIGERIA: AN ANALYSIS OF ITS PRACTICABILITY

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Abstract

Outsourcing of accounting and finance functions refers to act of seeking those services rendered by accounting and finance professionals from outside instead of providing those services in-house. This study aimed at examining the practicability of outsourcing of those services by private and public sector organizations in Nigeria. The methodology used for data collection was survey design and content analysis. Data was generated from both primary and secondary sources; primary data was generated among respondents drawn from accountants in public and private sector; and those engaged in private practice. The data was generated through design and administration of questionnaire and semi-structured interview. The technique used for analyses and interpretation of the data was chi-square test, which was applied in testing the hypothesis formulated in section one. Findings were made that businesses worldwide are benefiting from outsourcing of accounting and finance services, as it leads to cost savings and increased efficiency in rendering core services. This is only realistic if corporate entities pursue value for money and competitiveness in managing their businesses. And that outsourcing is practicable in Nigeria as it will not only enhance managerial efficiency for corporate entities, but would also be a source of employment for professional accountants who will be self-employed; instead of relying on public jobs or employment by private companies. Recommendations are put forward that; a comprehensive assessment of its practicability be carried out by the Financial Reporting Council of Nigeria (FRCN) established under the FRCN Act 2011, to provide an enabling environment for the outsourcing of accounting and finance services, This should be carried out in all key areas of finance management, budgeting and financial reporting functions of corporate entities, particularly those services which are performed annually, bi-annually, quarterly or monthly; like budget preparation, final accounts preparation, general accounting services, internal audits, management of accounts payable and accounts receivable, insurance processing, tax services, bank reconciliations, etc.

Keywords: *Outsourcing, Accounting, Finance, Services, FRCN*

Introduction

Since the industrial revolution, one of the main objectives of the finance department has been to ensure optimal utilization of available cash and credit resources. Among the basic functions of accounting and/or finance department in both public and private sector is that of procurement and allocation funds in such a way that the day to day activities of other functional departments such as production, marketing, administration, works and maintenance, inventory etc, can be carried out in a most cost efficient and effective manner.

United Nations Conference on Trade and Development (2000) posits that due to increasing Globalization and rising competitive pressures, the finance & accounting department is now required to keep a tab on its own expenses and overheads, just like it did earlier for other functional departments. This opinion of the United Nations Conference on Trade and Development (2000) was later complimented by the findings of Azizi (2002). Hiring or outsourcing services is currently the most preferred solution for achieving the above objective and more and more businesses are opting for it (Nicholas, 2006; Marriott and Marriott, 2000; Marshall, McIvor and Lamming, 2007)

Hodge (2000) and Fiebeg (2000) all posited that when you outsource accounting functions, you put those responsibilities in the hands of professionals, by doing so, you are reducing demands on your administrative staff, you free them up to support other areas directly related to your sales, your clients, your services, your products, and your core business. Bragg, (2006); Brown and Wilson (2005); Casale, (2004) and Alan (2002); all concurred on their position that the following bookkeeping and accounting Services that can be outsourced: pay bills – prepare computer cash disbursement checks; Record receipts – prepare bank deposits and input credits; Employees Payroll – compute and prepare checks; Prepare payroll tax computations like Payee deductions; Prepare bank reconciliation; generate trial balance and financial statements preparation.

It is pertinent to note that Professional Accountants can perform monthly, quarterly and annual accounting and bookkeeping tasks or can supplement a company's current staff to lessen the drain on administrative time. Professional Accounting firms can customize a package of accounting and accounts payable outsourcing services that is priced to keep a company competitive, while taking the administrative pains of doing so on behalf of a company; such a company can concentrate more on running its business. David, Lacity and Willcocks (2005); Domberger (1998); Domberger and Fernandez (1999) and Domberger, Fernandez and Fiebig (2000), on their own part gave examples of services that can be outsourced to include analysis and review of quarterly financial results; preparation of payroll tax returns; preparation and review federal and state corporate tax returns like company income tax, petroleum profit tax, value-added tax, etc.

Statement of the Research Problem

Several authors have conducted researches in areas of outsourcing of ancillary services, especially in manufacturing companies in different countries of the world. For instance; Bragg, (2006) and Brown and Wilson (2005) opined that most companies and corporate entities across the globe today, especially in developing economies has witnessed tremendous increase in cost of production as a result of payment of huge sum in form of worker's salary, allowances, claims and compensation to a proportion of unproductive employees without a corresponding value-added in their services. It is also worthy of note that some of these studies, especially those of Bragg, (2006), Brown and Wilson (2005), Casale (2004) and Alan (2002) were all carried out in countries like Cuba, Canada, India, China, Japan, United States, Hongkong, etc; but no similar

study has been conducted in an emerging economy like Nigeria. This suggests that outsourcing of accounting and finance services is not popular in Nigeria, therefore; there is the need to assess the practicability of its application in Nigeria.

Quinn and Hilmer (1994), Prahalad and Hamel (1990) and Cortina (1993) cited in the United Nations Conference on Trade and Development (2000), giving the examples of such expenses that can be saved as those matching Social Security & Medicare taxes like hazard allowances; worker's Compensation insurance for work place injury; medical insurance, retirement plans and other incentives; vacation, sick, & personal leaves; training & turnover costs; accounting Software; additional office space, furniture and equipment. This position of the United Nations Conference on Trade and Development (2000) was later complimented by the findings of Azizi (2002), Nicholas (2006), Marriott and Marriott (2000) and Marshall, McIvor and Lamming (2007) that hiring or outsourcing services is currently the most preferred solution for achieving the objectives of reduced cost of production, increased managerial efficiency, increased profitability and add value to shareholders wealth. If these findings of Azizi (2002), Nicholas (2006), Marriott and Marriott (2000) and Marshall, McIvor and Lamming (2007) are something to go by, then; there is need to whether or not outsourcing can actually achieve the objectives of reduced cost of production, increased managerial efficiency, increased profitability and add value to shareholders wealth.

Kiabel and Nwokah (2001), examined whether outsourcing will increase reduce unemployment, it was found that some employees; especially in accounting and finance departments of companies were skeptical about outsourcing. This position also dovetailed with the findings of Casale (2004) and Alan (2002) which was a similar study conducted few years later in Cuba and Canada respectively, where they all concluded that accounting and finance employees in Public jobs are more skeptical and doubtful about outsourcing. This position of Casale (2004) and Alan (2002) can be construed to be applicable in the Nigerian public sector as this research found during the conduct of interview that Public Sector Accountants (PSA) mostly employees of the respective ministries of finance of the three states were more doubtful and not supportive of the practicability of outsourcing than the Accountants in Private Companies (APC) and Accountants in Practice (AIP).

Objectives of the Study

The main objective of this research is to examine the practicability of outsourcing of accounting and finance services in Nigeria. This is intended to be achieved by making an empirical analysis of it practicability among public and private entities in Nigeria. Within the framework of the main objective, the following specific objectives will be pursued:

- I. To determine whether outsourcing of accounting and finance services is practicable by companies and public entities in Nigeria.
- ii. To examine the impact of outsourcing on cost savings and operational efficiency.

Statement of Hypotheses

In line with the objectives of the study, hypotheses were developed in null form and chi-square test was used in testing the hypothesis via the data generated from respondents.

Ho₁: Outsourcing of accounting and finance services is not practicable by companies and public entities in Nigeria

Ho₂: Outsourcing has no impact on cost savings and operational efficiency

Scope and Significance of the Study

This study was conducted within a period of four months from 15 February, 2013 to 15th June, 2013 in the state capital cities of Yola, Jalingo and Gombe respectively. The target respondents of the study were chosen among Public Sector Accountants (PSA) mostly employees of the respective state ministries of finance, Accountants in Private Companies (APC) and Accountants in Practice (AIP). The Accountants in Practice (AIPs), Public Sector Accountants (PSAs) and Accountants in Private Companies (APCs). This work will make immense contribution to the stakeholders of accounting and finance, especially as it relates to outsourcing. Particularly; Public Accountants, Companies, the Financial Reporting Council of Nigeria (FRCN), the tax authorities at both state and federal level, Public corporations and parastatals, etc. This piece of work shall enlighten them on the benefits and practicability of outsourcing of some accounting and finance services, leading to on cost savings, operational efficiency, managerial efficiency and increased profitability.

Literature and Conceptual Framework

Several authors has conducted in area of outsourcing, prominent among these are the work of Zarrella and Huckhai, (2004), Ellram, Tate and Billington (2008), Everaert, Sarens and Rommel (2006), Gilley, Rasheed and Hussam (2006) and Globberman, and Vining (2006), which concurred that financial services of companies throughout the world are increasingly using third parties to carry out activities that the businesses themselves would normally have undertaken. Ya'Ni and Bretschneider (2007), Winter (1998), Quinn (1999), further buttressed that small business owners need more time to spend focusing on core business instead of balancing accounts and books. Time spent languishing over their books is time that could have been spent with clients – and it's also time they can't bill for. Particularly, Ya'Ni and Bretschneider (2007), posits that to make the most efficient use of one's time, one should be focusing on growing core business activities and engage the services of accounting to an expert.

The Concept of Accounting and Finance Services

Meigs and Meigs (1970), defined accounting as a financial activity that measures and provides statements or assurances about financial information Drury (2005) also describes accounting as a communication language used to convey economic information to business stakeholders such as managers, investors, creditors, and the government. These are general conception of accounting, but in more specific terms, one may posit that there is much aspect or rather types of accounting functions in business. These accounting and finance functions range from accounts payable,

accounts receivable, general ledgers, and internal audit services to lease administration, payroll, property accounting, sales audits, and taxes (Alan, 2002: 50). Based on International Data Corporation (IDC) reports, accounts payable remains the most outsourced accounting function (Casale, 2004). Bramford and Bruton (2006) in their own perception classified accounting functions as follows:

- (a). Accounts receivable – Records of receivables are vital not only to decision-making regarding credit extension but also to accurate billing and maintenance of good customer relations. An analysis of such records will indicate the effectiveness of a firm's credit and collection policies.
- (b). Accounts payable – Records of liabilities show what a firm owes its suppliers, cash discount facilities, and payment.
- (c). Inventory accounts – These types of records are essential for the control and security of inventory items. Inventory records supply information for use in making purchases, maintaining adequate stock levels, and computing turnover ratios.
- (d). Payroll – These records show the total salaries paid to employees and provide a basis for computing and payment of payroll taxes.
- (e). Cash records – These records, which show all receipts and disbursements, are necessary to safeguard cash. They provide essential information about cash flows and cash balances.
- (f). Fixed asset account – These records show the original cost of each asset and the depreciation to date, along with other information, such as the condition of each asset. Other accounting functions that are vital to the efficient operation of a small business are the insurance register, records of leaseholds, and records of the firm's investments outside its business; this was also confirmed in the findings of Krell (2006).

The Concept of Outsourcing

Outsourcing refers to act of seeking ancillary business services from outside instead of providing those services in-house (McIvor, 2008; McIvor, 2009 and Rodriquez and Diaz, 2008). Taking a leap from the use of product components or parts in a manufacturing concern, management is faced with a short-term decision of “make or buy.” This is a typical scenario of outsourcing, which deals with those decisions relating to providing those services in-house or buying them from outside by hiring personnel and experts to do render such services on ad-hoc basis instead of retaining them on fulltime employment.

Seldom, Cullen and Willcooks (2002) observed that the idea behind outsourcing is not only in accounting and finance, as it cut across other allied services like legal, engineering, cleaning, security, staff canteen, etc. Outsourcing of accounting and finance services instead of hiring employees or experts to perform such functions on fulltime basis will save a company the additional money that would have been exhausted in paying for matching Social Security & Medicare taxes like hazard allowances; worker's Compensation insurance for work place injury; medical insurance, retirement plans and other incentives; vacation, sick, & personal leaves; training & turnover costs; accounting Software; additional office space, furniture and equipment.

Outsourcing of Accounting and Finance Services

Outsourcing of accounting and finance functions has become prevalent and popular in some industrialized and developing nations like India, Cuba, Scotland, Canada, Japan, Hongkong, China, etc. (Shailendra, 2004). The global market for outsourcing finance and accounting functions is expected to grow at a 9.6% Compounded Annual Growth Rate (CAGR) and exceed \$47.6 billion in 2008 according to a new report from IDC (Casale, 2004). Shailendra, (2004) and Krell (2006) affirmed that some components of accounting and finance functions are suitable to be outsourced. These include general ledgers, financial reporting and internal services. More specifically, this research seek to buttressed that the elements of finance and accounting services that can be outsourced are as follows: general accounting, internal audits, management of accounts payable and accounts receivable, financial services solutions, insurance processing, tax services and so on.

Bragg (2006) and Books Texas.com (2007) concurred in their position that accounting functions are among the most that can be commonly outsourced. Although the functions outsourced are limited, Bragg also claims that there are more opportunities for outsourcing if companies open up their outsourcing practices to include multiple suppliers (Bragg, 2006). For instance, cash management services are offered by most regional banks. Taxation, financial reporting, and internal audit services are provided by both local and the largest auditing firms, such as Ernst & Young LLP and Deloitte & Touche LLP. In Nigeria for instance, we have the Akintola Williams Deloitte & Touche, the KPMG Professionals, the Price Water house Co-opers and a host of others licensed to practice either as members of the Institute of Chartered Accountants of Nigeria (ICAN) and the Association of National Accountants of Nigeria (ANAN). Outsourcing Accounting Online to India (2007) claims that outsourcing accounting functions enable companies to reduce overhead costs, focus on their core business and manage their work well. Because the total cost of managing accounting work via outsourcing firm is much less than that of hiring in-house staff members, almost every company is making accounting outsourcing a part of its long-term sustainable business model.

The outsourcing of accounts payable helps to reduce administrative costs without capital investment. Accounts payable outsourcing services include data capture, data processing, invoice entry and payment disbursement. Technology is capable of transforming accounts payable; by outsourcing accounts payable, it improves accountability and reduces cost and effort for businesses (Outsourcing Accounting Online to India, 2007). By outsourcing tax processing, Companies can save time and avoid penalties arising from late payment and filing. Companies can remain free of the pressure associated with keeping track of changing laws and keeping up with the latest technology.

However, outsourcing should be undertaken with caution because it involves a loss of direct control over quality and leads to additional coordination expenses and delays that will affect management and business decisions. It will also jeopardize employee loyalty because of the fear of

job-loss (Brown and Wilson, 2005; Aubert, Patry and Rivard, 1998; Earl, 1996). Another concern related to outsourcing is exposure to data security and customer privacy issues. Firms that outsource also see a decrease in their ability to perform the services they outsource. Finally, dependence on one supplier compromises future negotiation leverage (Bragg, 2006).

Need For Outsourcing Accounting Services

By outsourcing accounting services, regardless of its size, status or nature, a company needs some extra financial accounting for the smooth and successful running of the small or large business (Ang and Straub, 1998). When various circumstances come in the way of self-sufficiency, businesses turn to the viable option of increasing sales, improved products, improved services, customer's satisfaction and paying more attention to core business. It is also common that most companies lack the adequate and competent staff requirement to occupy their accounts department performing accounting services effectively. At times, their staff lacks the skills to meet their responsibilities and targets. If a company is in a new business, it may need some advice on accounting protocols, structure and financial accounting software. financial accounting services, business accounting, account receivable & payable, tax accounting and payroll accounting services by professionals at affordable rates, especially when those Professionals offer various accounting outsourcing services such as financial accounting services, business accounting, account receivable & payable, tax accounting and payroll accounting services by professionals at affordable rates, especially in industrialized nations like Canada, Scotland, Ireland, Netherlands, Japan, China, Korea, etc (Longenecker et al, 2003). By outsourcing your financial accounting needs to accounting firms and you can concentrate on core accounting business activities. Subsequently, you are getting high end, highly dedicated and professional accounting services at competitive rates and saving a huge sum of money that would have been spent on accounting bureaucracy.

Implications of Outsourcing to the Accounting Profession in Nigeria

Today outsourcing is increasingly used as a means of both reducing costs and achieving strategic aims. Its potential impact can be seen across many business activities, including information technology (e.g., applications development, programming, and coding), specific operations (e.g., some aspects of finance and accounting, back-office activities and processing, and administration), and contract functions (e.g., call centres). Industry reports and regulatory surveys of industry practice indicate that financial firms are entering into arrangements in which other firms - related firms within a corporate group and third-party service providers - conduct significant parts of the enterprise's regulated and unregulated activities.

As observed in the work of Domberger, Meadowcraft and Thompson (1987), there can be several positive implications of outsourcing, which can be applicable in outsourcing of accounting services in the Nigeria's economy; firstly, we considered cost reduction and cost control for companies, secondly, value-addition to core businesses for companies and thirdly job creation for accounting professionals.

1. Cost reduction and Control for Companies

Companies in industrialized nations primarily used outsourcing as a cost reduction and control. Outsourcing of Accounting Services provides for direct cost savings and cost reduction in the areas of Worker's Compensation insurance for work place injury, Medical insurance, retirement plans and other incentives, Vacation, sick, & personal leaves, Training & turnover costs, Accounting Software and Additional office space, furniture, and equipment.

2. Value-added in rendering Core Businesses

Outsourcing was initially used as a cost reduction and control tool in the early 2000s, but with down turn of events, most companies have now realized the limits of the outsourcing model as well as its true potential: providing value-added. However, with this new paradigm, companies reduce demands on their administrative staff, free them up to support other areas directly related to sales/turnover, customer's satisfaction, after sales services, improvement of product's quality and other core areas of their business.

3. Job creation for accounting professionals

Professional Accountants in Nigeria will be more engaged in private practice and would go a long way in reducing unemployment and over-reliance on Government for jobs. Accountants will offer various accounting outsourcing services such as financial accounting services, business accounting, account receivable & payable, tax accounting and payroll accounting services at affordable rates, as done industrialized economies.

Limitations of Outsourcing of Accounting and Finance Services

Svedberg, Do and Karlson (2006) observed that there can be some limitations of outsourcing, which this study seem to agree with their position, the following are some of the limitations which may be faced by companies if accounting services are to be wholly outsourced:

- I. How to exercise control on a daily basis over an outsourced vendor's activity to ensure that the project meets its performance target?
- ii. How to guarantee confidentiality over sensitive information that will, at some point, end up in the hands of the outsourced partner?
- iii. How to react in an outsourced environment when there is an unexpected change in external circumstances (government policies, business environment, and technology change).

Benefits of Outsourcing Accounting Finance Services

With increased focus on financial budgeting and risk management, finance & accounting services are helping businesses reduce operational costs and make optimal utilization of available financial resources. By focusing on critical tasks such as augmenting accountability, promoting open governance and creating flexible systems, service providers are able to achieve desired levels of ROI (Return On Investments) and cost savings.

Apart from quantifiable benefits, finance & accounting outsourcing services also allow businesses to improve the quality of offered services, viz:

Through increased process integration and synchronization,
 Through ongoing cost reduction plans and initiatives,
 Reduce the cost of the support services itself and
 Careful planning and fast track implementation of decisions.

Pilot test to identify Processes that can be Outsourced

Before actually committing to an outsourcing contract, it is necessary that existing finance & accounting processes be segregated into two different categories, namely, processes that can be outsourced and processes that need to remain onshore. The points given below can help businesses make the best possible selection.

Table 1.1: A Schema identify processes that can/cannot be

S/NO:	A: Processes that cannot be Outsourced	B: Processes that can be Outsourced
1.	If they relate to strategic policy matters and initiatives	If they are rule based and do not require constant changes, e.g Budget functions.
2.	If their nature is such that the required authority cannot be delegated.	If they exist as cost centres and not revenue or investment centres.
3.	If they are part of the strategic apex (top level decision making process	If they are performed on annual, bi -annual or quarterly basis and does not requires recurrent attention.
4.	If they are performed on routine basis (i.e: daily) and requires recurrent attention.	If they do not require direct contact with end users
5.	If they are governed by statutory requirements that prohibit outsourcing.	If they can be put through a great deal of automation
6.	If they require specific skills and expertise that is not available outside.	If they cannot result in excessive business risks
7.	If they require constant direct interaction with end users.	If they can be pushed as commodities and consumed likewise.

Source: Generated by the Researcher (2013)

Methodology

The methodology used in this work was survey design: Questionnaire and interview which was used as the tool for data collection from primary sources. The Questionnaire and interview were administered/conducted in the three states of Adamawa, Taraba and Gombe in North-eastern Nigeria.

The qualitative research method was mainly content analysis which was carried to generate secondary data. This method is suitable in a pilot study of this nature. Interviews were conducted to seek relevant data which may be more informative than the questionnaire, among three categories of professional accountants, stratified with proxies as Public Sector Accountants (PSA), Accountants in Private Companies (APC) and Accountants in Practice (AIP).

Population of the Study

The Public Sector Accountants (PSA), Accountants in Private Companies (APC) and Accountants in Practice (AIP) in the three states of Adamawa, Taraba and Gombe in North-eastern Nigeria was construed to constitute the population of the study. The table below shows the distribution of the population of the study:

Table 1.2: Showing Population of the study

City	PSAs	APCs	AIPs	Total	PERCENTAGE
Yola	255	18	10	283	45.71 %
Jalingo	140	15	15	170	27.48 %
Gombe	132	22	12	166	26.81 %
Total	527	55	37	619	100 %

Source: Researcher's Design (2013)

Considering a population of this nature, a sample was drawn from the total population of 619. A sample of 180 was drawn from the population constituting 29.07 %. The questionnaires were distributed to the 180 respondents representing the sample size of the study.

Table 1.3: Showing Sample Size of the study

City	Total Population	Sample Size	PERCENTAGE
Yola	283	72	40 %
Jalingo	170	53	29.45 %
Gombe	166	55	30.55 %
Total	619	180	100 %

Source: Researcher's Design (2013)

Data Analysis and Interpretation

A Non-parametric tool was used for analysis and interpretation of data. This statistical tool was the Chi-Square Test. This tool is selected for their convenience in the interpretation of results from data collection in a research of this nature. In a more specific term, this technique is highlighted briefly below:

There are many techniques of testing hypothesis, but the Chi-Square test was used for purpose of this study.

The Chi-Square formula applicable in (Monga, 2000) is given as thus:

$$X^2 = \sum \frac{(F_o - F_e)^2}{F_e}$$

F_o = Observation Frequency
 F_e = Expected Frequency
 \sum = Summation Notation

The degree of freedom was obtained using formula as thus:

$$DF=(R-1) (K-1)$$

Where: R= Row, K Column

Decision Rule:

If the computed value of X² is less than the, critical value on the table at 5% level of significant, at an appropriate degree of freedom (R-1) (K-i), the null hypothesis is accepted. If the computed value of X.² is more than the critical value on the table at 5°/a level of significant, at an appropriate degree of freedom (R- I) (K- 1), the null hypothesis is rejected.

To determine whether outsourcing of accounting and finance services is practicable by companies and public entities in Nigeria, primary data generated through administration of questionnaire was analyzed using the chi-square test.

Table 1.4: The practicability of outsourcing of accounting and finance services by companies and public entities in Nigeria,

Variables and Responses	Agreed	Disagreed	Undecided	Total
Outsourcing of Non-core accounting services by companies and public entities is practicable in Nigeria	105	55	5	165
Outsourcing of Non-core finance services by companies and public entities is practicable in Nigeria	113	35	17	165
Companies and public entities in Nigeria can do without engaging accounting/finance personnel on fulltime.	119	28	18	165
TOTAL	337	118	40	495

Source: Field survey, (2010)

Table 1.4 shows the responses of the respondents. From these responses, 105 respondents (out of 165) agreed that Outsourcing of Non-core accounting services by companies and public entities is practicable in Nigeria, 55 respondents & 5 respondents were disagreed and undecided respectively. The opinion of respondents on the fact that outsourcing of Non-core finance services by companies and public entities is practicable in Nigeria shows that 113 of the respondents agreed. 35 and 17 respondents were disagreed and undecided respectively. Companies and public entities in Nigeria can do without engaging accounting/finance personnel on fulltime had a significant opinion with 119 respondents agreed and 28 & 18 disagreed and undecided respectively. In testing the result further Table 1.5 presents the chi-square result.

Table 1.5: CHI-SQUARE TEST COMPUTATIONS

Fo	Fe	(Fo-Fe)	(Fo-Fe) ²	(Fo-Fe) ² /Fe
105	112	-7	49	0.41
113	112	1	1	0.01
119	112	7	49	0.41
55	39	16	256	6.56
35	39	-4	16	0.41
28	39	-11	121	3.10
5	13	-8	64	4.92
17	13	4	16	1.23
18	13	5	25	1.92
Total				18.97

Source: Field Survey (2010)

Level of significance is 5%

Df = 4

$X^2 = 18.97$

Table 1.5 present the computed X^2 as 18.97 which is more than the critical value 9.48 at 5% level of significant, while the degree of freedom (R—l) (K-1) is 4.

Based on the decision rule, the null hypothesis which states that outsourcing of accounting and finance services is not practicable by companies and public entities in Nigeria is rejected while the alternative hypothesis which states that outsourcing of accounting and finance services is practicable by companies and public entities in Nigeria is accepted.

On the basis of the above, this study is with the findings that outsourcing of accounting and finance services is practicable by companies and public entities in Nigeria. On the basis of the above, findings that were made that outsourcing of accounting and finance services is practicable by companies and public entities in Nigeria. This can only be achieved through providing an enabling framework by the Financial Reporting Council of Nigeria (FRCN) established under the FRCN Act 2011, for professional accountants to render services to companies and public entities in Nigeria.

Conclusion

Therefore, this study concludes that outsourcing of accounting and finance services is practicable by companies and public entities in Nigeria and this can only be achieved through providing an enabling framework by the Financial Reporting Council of Nigeria (FRCN) established under the FRCN Act 2011, for professional accountants to render services to companies and public entities in Nigeria. Findings were also made that outsourcing has some significant impact on cost savings and operational efficiency in Nigeria and that outsourcing will not increase unemployment in Nigeria as it is perceived by the general populace, especially those in public employment. Perhaps, most of the general populace, especially those in public employments are

not aware that outsourcing will rather generate more employment opportunities for accounting professionals and finance experts.

Recommendations

Based on the conclusion made above, this study recommends that a regulatory framework that provides for outsourcing of accounting and finance services should be enabled by the Financial Reporting Council of Nigeria (FRCN) established under the FRCN Act 2011, for professional accountants to render services to companies and public entities in Nigeria. This study also recommends that to enhance public confidence in the implementation of outsourcing, sincerity of purpose is required by the government and that outsourcing should be encouraged through moral suasion as it has some significant impact on cost savings and operational efficiency management of companies and public entities in Nigeria. Infact, if this done; the excessive cost spent in the areas of Worker's Compensation insurance for work place injury, Medical insurance, retirement plans and other incentives, Vacation, sick, & personal leaves, Training & turnover cost will be reduced if not completely eliminated.

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