

PDF - THE ROLE OF THE ACCOUNTANT IN THE PRIVATIZATION AND COMMERCIALIZATION OF  
PARASTATALS IN NIGERIA - researchcub.infoABSTRACT

The topic of this research work is the role of accountant in the privatization and commercialization of parastatals in Nigeria. In this research work, we were trying to know the impact an accountant takes in different sectors of the economy in Nigeria. From researches I made, an accountant is a person who has the right to keep audit and inspects the financial records of individuals or business entity and prepares financial and tax report. The major motive of this research work is to highlight the roles accountant offers to the government and the other interested groups before, during and after the programmes of privatization and commercialization towards the attainment of the set objectives. The objective of this study is to know the actual number of parastatals in Nigeria for privatization and commercialization. During the course of the researches, we encountered certain problems that faced by federal government during the beginning of the privatization and commercialization programmes. In an attempt to conduct fair and comprehensive research, we discovered certain limitations in the process of carrying out the research work as a cause of inadequate finances and time limit. In summary, the major objective of this work is to generally based on the role of an accountant in the privatization and commercialization of parastatals in Nigeria and the preparation of financial statement of a firm. The research work I carried on is divided into three chapters. Chapter one deals with problems, definition of terms. Chapter two involves literature review and the role of different sectors in the economy. Lastly chapter three involves summary, conclusion and recommendations. I used recommendations in the study to anticipate contributions that is being carried out by the accountant

## CHAPTER ONE: INTRODUCTION

### 1.0 INTRODUCTION

According to the topic “The Role of the Accountant the Privatization and Commercialization of Parastatals in Nigeria”, firstly and accountant is a person that keeps audit and inspects the financial records of individuals or business concerns and

prepares financial and tax report. He is also a person concerned with the maintenance and audit of business accounts and the preparation of consultant reports in tax and finance. According to the definition, the accountant helps the private and commercial parastatals in Nigeria to control their financial status.

### **1.1 BACKGROUND OF THE STUDY**

According to the native revenue proclamation No: 2 of 1906, which was the first step taken by the British colonial to introduce a comprehensive legislation and revenue generation in the colony. This step was applied to the southern part of Nigeria. Due to the urge for instance in the revenue generation and share incidence of administration conveyance, Sir Lord Lugard amalgamated the northern and southern Nigeria in 1914. With this arrangement there was a rise in consolidated revenue and also to the setting up of uniform public enterprises and corporation in Nigeria through the modified proclamation ordinance No of 1917. There was a fundamental transformation of the economy which went from a policy orientation to a more liberalized regime. The policy was made possible by Nigerian enterprises promotion degree of 1972/1974, which the world oil market situation was depressed by late 1980, there was an account of about 50% of GPD and over 60% of modern sector employment which created to non commercial and 110 commercial and federal parastatals with a state level of large number which rely on government subvention to cover operating loss. Due to the collapse of oil prices there were adverse consequences on the economy which exchange rate, a incentive structure which discourage savings and investment to low or even negative growth rate of the GPD capacity privatization to the virtual disappearance of non oil tradition product from over export profit.

### **1.2 STATEMENT OF THE PROBLEM**

The greatest problem faced by the federal government during the beginning of the privatization and commercialization programme in July, 1988 was the sound implementation of the programme.

This provides a decision by any perspective private investor whether to decide on, to

invest in any enterprise an accountant who understands the language of the business, vis-a- vis the interpretation of financial statement among other roles, it is known that most public enterprises fails because of inadequate accounting information which aids management in her decision.

Due to the failure government parastatals, the role of accountant and re-evaluating of accounting concept was made necessary.

This identifies the major cause which is said to be lack of sound and prompt utilization of accountant's personal which helps in the co-ordination of the business functions in other departments. The project reviews the role of accountants in relation to the provision of information.

### **1.3 RESEARCH QUESTIONS**

What are the reasons for the privatization and commercialization of government parastatals?

What is the meaning of privatization and commercialization?

full meaning

Partial meaning

What are the criteria used in qualifying government corporations for full or partial commercialization?

How many public enterprises were stated for privatization and commercialization?

How many of the affected parastatals have been privatized and commercialized so far?

To what extent can the accountant display to the successful privatization and commercialization exercise?

### **1.4 PURPOSE OF THE STUDY**

The topic of this research is an interesting area which requires the details on the control of failure, of the government parastatals as a result of improper management of man, materials and machines, the main purpose of this study is on the role the accountants offers to the government and other interest groups before, during and

after the programmes of privatization and commercialization towards the attainment of the set objectives. The problems is said to be non recognition of accounting rules, principles, techniques and procedure essential to understand the activities of the parastatals vis-a-vis public in the implementation of proper.

### **1.5 SIGNIFICANT OF THE STUDY**

The state and federal level of privatization and commercialization of public enterprise may not be completed within the first four year of the four republics. Which is due to the consideration of issues on the floor of the house that are to be decided by the federal government state legislators on the type full partial and the actual establishment for the exercise which will require a gradual process. The recent constituted committee on privatization and commercialization programmes reviews the roles of an accountant which must be appreciated in the execution of the programme by ex-posing in pros and cons in the financial statements/records both in the planning down to control exercises.

### **1.6 SCOPE OF THE STUDY**

There are a great number of parastatals in Nigeria stated for privatization and commercialization, they include NNPC, NITEL, NPA, PHCN, NRC, NCC, NTA, NMA, NAA, WATER BOARD, BANKS, ROLLING MILLS, SALT AND TEXTILES, NAGCON, etc.

Based on this fact area of concentration is going to be centered on July 3 of the parastatals namely the petroleum, communication and electricity (NNPC, NITEL, PHCN). By special field of study there will be the role of the accountant in the above parastatals and how she is involved in the current privatization and commercialization programme in Nigeria.

### **1.7 LIMITATIONS OF THE STUDY**

An attempt was made to conduct a comprehensive research work on this project so as to make it a board base text to all manner of people. However, the inadequate finances and limited time period allowed for the completion of this project was not

considered enough and could not allow for a thorough and in-depth work to be done. As a result of the above relatively small sample was being studied here as there was limited number of literatures on the topic, which denied this research must acknowledge what other scholars have done on the topic in the past. In any case, apart from the literature review relevance is placed on the credible questionnaire responses by respondents in spite of all these short comings, this research was the belief that the data and information gathered will adequately stand text of the time, thereby, serving the need for this study.

### **1.8 DEFINITION OF TERMS**

**PRIVATIZATION:** This can be defined as a total transfer of government owned equity interest wholly to private investors.

**COMMERCIALIZATION:** This is the running of government owned enterprises in a sector to be profitable through changes in a management.

**FULL PRIVATIZATION:** This can be defined as a total transfer of government owned equity interest in an enterprise wholly to the private investors.

**FULL COMMERCIALIZATION:** This is the process of running government owned enterprises and efficient manner as to make enough profit to cover both the capital and overhead profit.

**PARTIAL COMMERCIALIZATION:** This is the process of running government owned parastatals in a manner to cover the overhead cost while leaving the capital cost to be done by the government.

**PARASTATALS:** This can be defined as the government owned establishment. They are often called public enterprise.

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