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IMPLEMENTATION OF ACCOUNTING OUTSOURCING IN THE ENTERPRISE INFORMATION SPACE

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Abstract. *There are formed a structure chart of the accounting outsourcing conceptual bases and highlighted the definition, goals, tasks, functions, principles and resource support. There are identified the components of the current state valuation, advantages and disadvantages of accounting outsourcing introduction in a dynamic business environment. The main advantages include: objectivity and impartiality, continuity of accounting, quality of service staff, the ability to focus on the main business processes, the use of ready-made advanced technologies, high quality of received services by the outsourcer, protection of confidential information, etc. In this case, the disadvantages may be: the liquidation of the outsourcing company, low efficiency, absence of management accounting, decrease in the quality of service delivery through the internal troubles of the outsourcer, etc.*

Key words: *accounting outsourcing, services, qualification, expenses, business environment.*

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Introduction

Every day the improvement of the management system has an increasing impact on improving the performance of commercial activity at the current stage of the world economy development. Applying the latest methods of enterprise management on the terms of delegation of authorities is one of the ways to get significant results in business.

Economic transformation and high level of competition between economic entities have a significant impact on the fact that enterprises are increasingly using accounting outsourcing in the practical activity. Companies delegate the accounting functions to specialized agencies, in the state where there are highly qualified specialists. The goal of such actions is to make rational use of available resources and focus on the main activity type as a priority.

This gives grounds for stating the relevance of the studied issue in the current realities.

Literature Review

Agburu, J. I., Anza, N. C., & Iyortsuun, A. S. (2017), Chaplin, S. (2017), Guragai, B., Hunt, N. C., Neri, M. P., & Taylor, E. Z. (2017) and others have devoted the research works to theoretical aspects of accounting outsourcing.

Cullinan, C. P., & Zheng X. (2017), Fernandez, D., & Aman, A. (2018), Asatiani, A., Apte, U., Penttinen, E., Rönkkö, M., & Saarinen, T. (2019) studied outsourcing issues in the context of conclusion of agreements by enterprises with outsourcing firms, namely, responsibility for disclosure of trade secret, margin of discretion, etc.

Taking into account the significant contributions of scientists to the development of this topic (Islam, M. A. (2017), Lacity, M., & Willcocks, L. (2017)), remain open the questions of a unified scientific approach justification to the consideration of the accounting outsourcing mechanism and the search of effective ways of the practical use by business entities.

Methods

The purpose of the work is to study the conceptual foundations and features of practical implementation of accounting outsourcing.

Results

The modern accounting outsourcing market allows enterprises to engage in the main mission, giving business accounting and tax statement to professionals. For example, in Europe 86 % of small and medium-sized businesses companies use the services of outsourcers, in the United States- 92 %, in Israel – 96 % (Fernandez, D., & Aman, A. (2018)).

First of all, these companies outsource the calculation of salary and tax burden. In these countries, tax legislation is quite complex, so requires high professionalism and deep specialization of the outsourcing firm accountants. Also, the accounting outsourcing market is developing quite rapidly in the Asia-Pacific region, in particular in India and China.

In the United States and Europe, companies that use accounting outsourcing receive additional funds to finance the needs of the company's main mission.

In these countries, this is what led to the disappearance of the accountant position in firms, since all the functions are transferred to a third-party organization. The latter help in keeping records not only for legal entities, but also for ordinary citizens, because the vast majority of outsourcing firms have a high reputation.. According to statistics, 40 % Americans trust such firms to compile tax declarations.

The purpose of outsourcing is to increase the value of the company in the market by increasing the activity efficiency, reducing costs, risks, and strengthening the positions of products in the market by attracting new contractors who are engaged in non-core business activity for the company. Reducing costs and therefore tariffs for outsourcing services contributes to the niche specialism, which makes possible to get a lot of experience in the implementation of business processes, the introduction of innovative technologies, and new methods development of organizing work. Thus, using outsourcing is more efficient and rational than performing the same work themselves. However, this is possible only if outsourcing is used economically sound and rationally.

Generalized structure chart of the conceptual foundations of accounting outsourcing organization is presented in Fig.1.

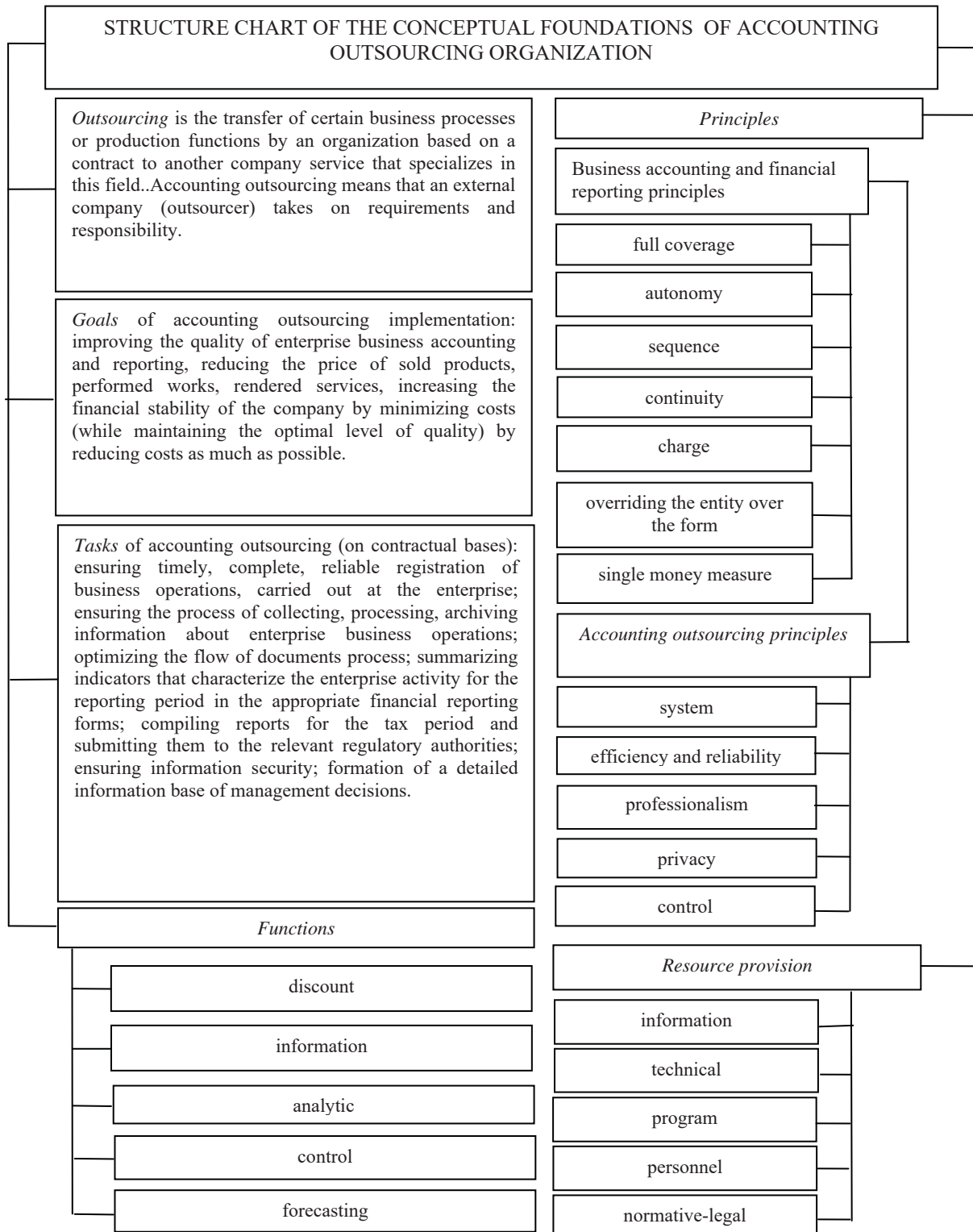


Figure 1. Structure chart of the conceptual foundations of accounting outsourcing organization (compiled by the author)

The distribution of responsibility between the outsourcing firm and the enterprise-customer of the services should be in accordance with the terms of the contract for the provision of business accounting services taking into account the following proposals: write in the contract for the provision of business accounting services a separate provision or item “Liability for material injury”, it should include liability for mistakes in accounting, late payments to contractors, fiscal authorities, etc; develop a schedule for which the company, which is the customer of the outsourcing company’s services, will deliver basic documents, with a clear indication of the timing of sending feedback.

Debatable nature of accounting outsourcing and the absence of scientific literature on this issue do not allow to form a clear classification by which it can be considered. There are indentified the outsourcing types in accordance with the priority classification features based on the results of scientific works, on Figure 2.

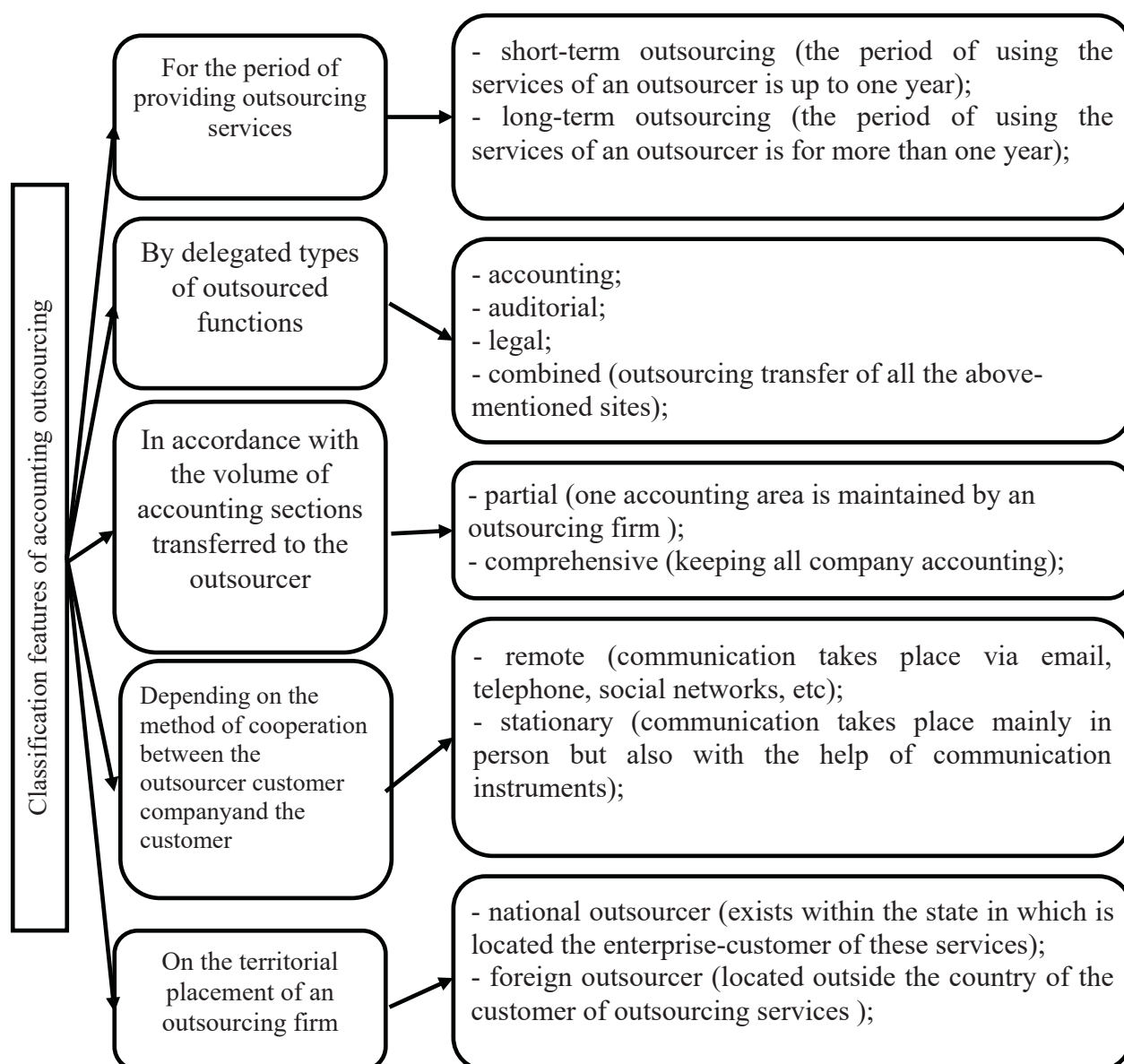


Figure 2. Classification features of accounting outsourcing
(compiled by the author)

The decision-making process for enterprise outsourcing should consist of the steps shown in Figure 3.

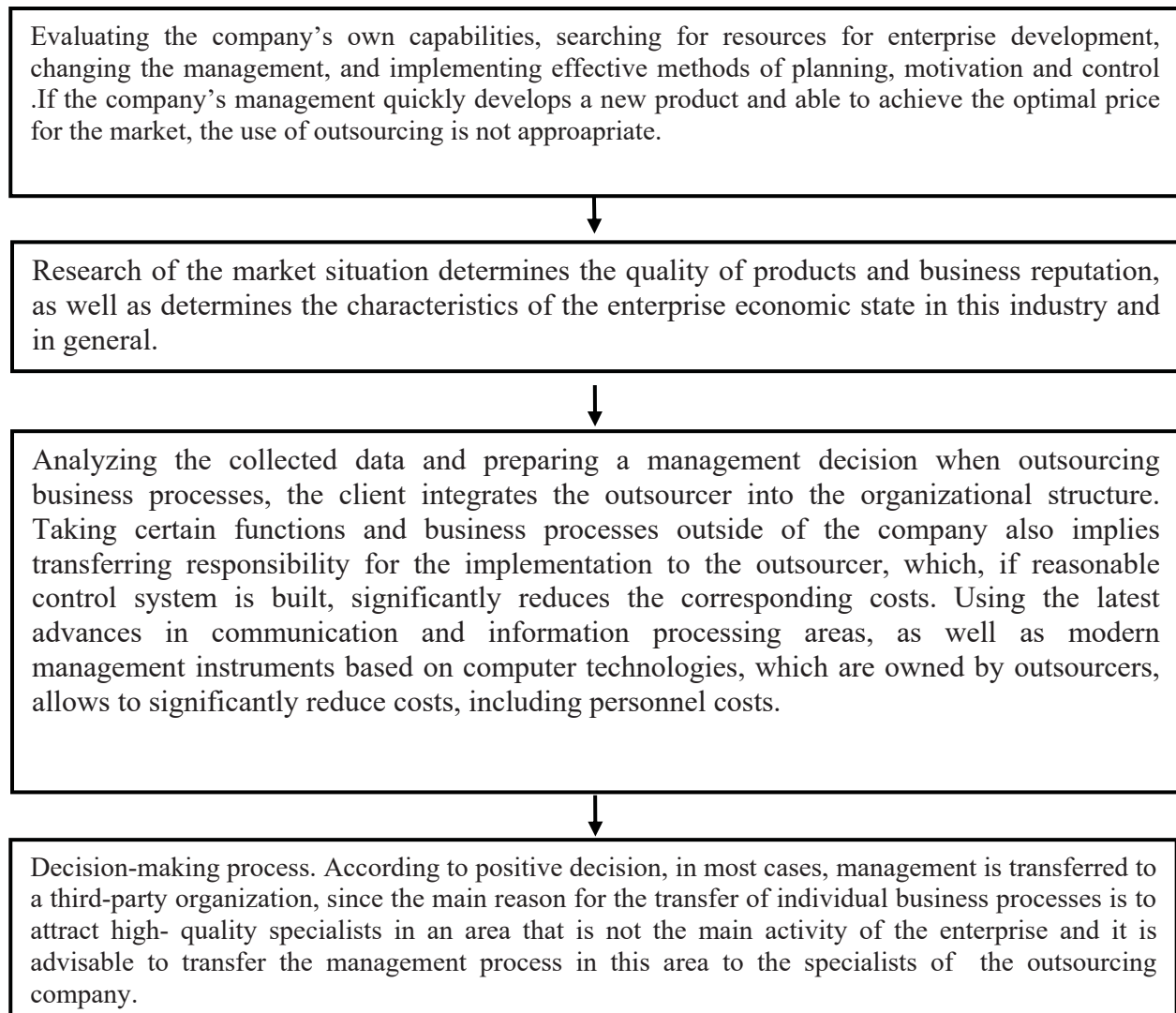


Figure 3. The sequence of decision-making on the company's transition to outsourcing (compiled by the author)

It is extremely important to find a bona fide outsourcer. Three or five are the most suitable of the many such companies. It is necessary to analyze the companies that are currently on the market, paying special attention to the key factors: reputation, reliability, experience of successfully implemented projects, positive user reviews, etc.

Also important is the ability of the outsourcer to quickly adapt to the peculiarities and specifics of the company's activity.

Discussion

The professional level of employees of such company should be at a high level, this should be confirmed by the available certificates and periodic passing of employee ratings, professional development, etc.

Any company can do without an accounting department. All firms, regardless of the organizational form, should submit properly executed reports to the supervisory authority on time. The accounting department should reflect business operations in a timely manner and provide top management with operational information that is necessary for decision –making. It is necessary to involve only highly qualified, competent specialists, who are perfectly versed in the specifics of the enterprise activity. If you hire a non-qualified employee, the price of such decision can be quite high. More and more companies are turning to the possibility of outsourcing accounting services for these reasons. Using this opportunity frees the company from the need to hire employees, check the professional level and competence.

Conclusion

We believe that for an optimal choice that guarantees the success of an outsourcing project for providing accounting services, it is necessary to carefully approach the choice of an outsourcer. It is advisable to take into account the following factors when preparing a list of potential partner companies in addition to the cost criterion (price of services, discounts):

- experience of previous projects (especially if you have clients working in the same field of activity);
- positive reviews and stable enterprise development (it is quite easy to find information using the Internet, but it requires careful verification due to the possibility of writing positive reviews to order; that is why the sustainable development of the company is crucial in recent years;
- flexibility and the ability to respond quickly to changes in the company's activity that is the customer of services (of course, the outsourcer should respond quickly to changes in legislation, because without this it is simply impossible to maintain records).

However, when choosing a partner, the customer company should pay attention, first of all, to the possibility of responding to changes in the activity – expanding the types and increasing the activity volume, etc.

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