



Outsourcing Company Secretarial Services in Nigeria.

Introduction

Essentially a company is a legal entity, completely distinct from its members. Upon incorporation, the company takes the form of a legal person, and thus needs to be properly administered by its members. One of the very sensitive arms of administration of a company is the company's secretarial department. The Companies and Allied Matters Act ('Act') provides *'that every company shall have a company secretary' (Section 293)1.*

A company secretary is the chief administrative officer of the company, responsible along with the directors, for certain tasks under the Act. Company secretaries are the primary source of advice on the conduct of business and this can span everything from legal advice on conflicts of interest, through accounting advice on financial reports, to the development of strategy and corporate planning.

Company Secretarial Services.

The company secretary as the chief administrative officer of the company is vested with the responsibility of handling all company secretarial duties, which includes but is not limited to:

1. Advising the Board of Directors on all legal issues;
2. Maintaining the following statutory registers;
 - a. the register of members;
 - b. the register of directors and secretaries;
 - c. the register of directors' interests;
 - d. the register of charges,
 - e. for public companies only, the register of interests in shares.
 - f. Ensuring that statutory forms are promptly filed



3. Providing notice of meetings to Board members and auditors,
4. Sending the Registrar copies of resolutions and agreements,
5. Supplying a copy of the accounts to every member of the company,
6. Keeping, or arranging for the keeping, of minutes of directors, meetings and general meetings,
7. Ensuring that people entitled to do so can inspect company records,
8. Custody and use of the company seal.
9. And other administrative responsibilities, which may include:
 - a. tax compliance;
 - b. All statutory compliance;
 - c. Insurance and pensions;

Company secretaries in all sectors are saddled with the responsibility of also providing governance structures and mechanisms, corporate conduct within an organisation's regulatory environment, board, shareholder and trustee meetings, compliance with legal, regulatory and listing requirements, the training and induction of non-executives and trustees, contact with regulatory and external bodies, reports and circulars to shareholders/trustees, management of employee benefits such as pensions and employee share schemes, insurance administration and organisation, the negotiation of contracts, risk management, property administration and organisation and the interpretation of financial accounts.

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Why Outsource?

Outsourcing can be defined as delegation of one or more (non-core) business processes to an external service provider, who in turn administers and manages those processes based upon predefined and measurable performance metrics. It is a business decision that is often made to focus on core competences.

There are many motivating factors for a company to consider outsourcing. They include huge cost savings and increased focus on core business functions being the most imperative ones. Outsourcing strengthens a company's position to focus on its core business functions because it frees up company's resources (especially time and money) from performing non-core activities. These freed resources can be used more productively and efficiently in managing core business operations.

The Act has laid down a number of general duties upon the Directors and Secretary of a company. Compliance with the Act and the numerous resulting duties can be a huge administrative burden on the company thereby deviating the company's time and resources from its core business. The regulatory duties range from the maintenance of the Register of Members and Register of Directors and Secretaries, to filing of various returns to the Registrar of Companies as enunciated above (Section 298 CAMA).

Failure to carry out these duties correctly and within the strict time limits can result in severe penalties for Directors and Company Secretaries, potentially



leading to disqualification for up to fifteen years and removal of the Company from the Register.

Outsourcing Company secretarial Services offer a solution to this regulatory burden and bring many benefits which include:

- a. direct access to professional advisers,
- b. increased efficiency and cost savings.
- c. It allows companies focus its efforts on the important part of developing their core business, safe in the knowledge that all statutory obligations are being met.

Conclusion

For a business to achieve its true potential in the sector it operates, outsourcing services is a veritable mechanism to ensure the Directors focus on the core activities particularly at a period when the company may be in its growth stage.

Outsourcing services will not only ensure that the company is compliant with all regulatory provisions, but will assist directors in their day to day activities guaranteeing peace of mind that governance issues are dealt with. Support and advice will be available at the end of a telephone line and can offer greater certainty when it comes to managing costs and avoiding any penalties for non-compliance.

For more details please contact:

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