

Threat of accountants' shortage looming large

By Graham Hambly



Graham Hambly is a British journalist and editor of *PQ Magazine*.

The UK is on the brink of a financial professional skills crisis, according to the Association of Chartered Certified Accountants (ACCA). In a stark warning at the recent Labour Party conference, the ACCA's Clare Minchington explained that the increase in world trade and regulation has created an unprecedented demand for professionally qualified accountants. The worry is that the supply cannot keep up with the current demand for accountants and this could affect the growth of the world's major economies.

To tackle the crisis, the ACCA says that the accountancy profession must become "truly involved" in the UK Government's curriculum development and qualification reform – so that qualifications meet the real needs of employers.

The ACCA pointed out that the Big Four firms now have global recruiting policies to try and meet their staffing demands. This is in spite of the fact that in the five years between 2000 and 2005, some 34,000 people qualified as accountants in the UK!

The shortage is helping to push up salaries and the average accountant now earns more than £100,000.

Ms Minchington felt that the shortage will be exacerbated by the impact of an ageing demographic across the developed world.

As part of what could be seen as a more political agenda, the ACCA is also demanding a radical shift in society's attitudes to personal finances. To this end it has launched its own

manifesto "Championing Learning and Skills – An Agenda for England". The manifesto says that financial literacy education is needed from school to post-retirement to stop consumers from spiralling further into debt. To achieve this, the ACCA is calling on the Government to commit to the introduction of the financial equivalent of legal aid.

The ACCA is also calling for a clearer UK immigration policy to prevent an adverse impact on student numbers in the UK.

Time to get flexible

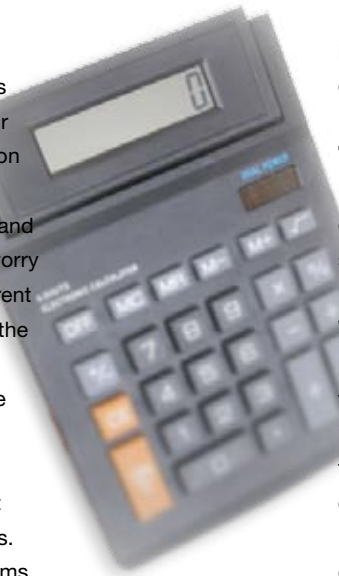
Employers who want to attract the "much in demand" newly qualified ACAs need to look seriously at flexible working, says the latest Institute of Chartered Accountants in England and Wales (ICAEW) career benchmarking survey.

Some two-thirds of female ACAs in business felt that flexible working hours, either formal or informal, were an important factor when it comes to job satisfaction. This compared to some 39% of men.

The ICAEW believes the issue of flexibility will only become more and more important for UK employers in the future.

Adaptability around school holidays was also important for many in the survey. It was noted that one in eight ACAs had discounted a new job opportunity because they were not happy with the potential new employer's policy on flexible working.

ICAEW CEO Michael Izza said that the number of newly qualified women is rising rapidly and "businesses on the whole do seem to be meeting the needs of our members with some degree of flexibility". He felt that this subject will continue to dominate UK business for some time and that it would be interesting to see if flexible working will become a bigger issue to men.



Golden oldies

There has been a big change in the UK in the last five years in the age of those studying accountancy. The truth is accountancy students are getting more “mature”. The latest figures from the Professional Oversight Board reveal that the public sector body, the Chartered Institute of Public Finance and Accountancy (CIPFA) now has the oldest student age profile – over 40% of students are aged 35 and older. The Chartered Institute of Management Accountants (CIMA) and the ACCA have the next “oldest” trainees – with 27% and 20% respectively of their students being more than 35 years of age.

In stark contrast, almost all Institute of Chartered Accountants in Ireland (ICAI) and Institute of Chartered Accountants of Scotland students are younger than 35.

Over the five-year period between 2000 and 2005, four of the six UK chartered bodies have seen the age of their “average” student rise. This has real implications in marketing and how accountancy is promoted as a career.

Not surprisingly the majority of chartered bodies also have an ageing membership population. The big exception is the ACCA where 70% of its members are below 45. The ICAI has the second youngest population with approximately 68% below 45. A third of ICAEW members are 55 or older.

Here and there

Despite record numbers of Brits leaving the UK, the influx of business and management professionals from the old colonies (Australia, New Zealand and South Africa) is more than making up for the exodus.

Steve Carter, managing director of recruitment firm Nigel Lynn felt that London has now overtaken New York as the number one global financial centre. He said that the UK may have a perceived “brain drain”, but the truth is that the economy is all the richer for the diversity it now possesses.

Expensive tastes

Lapsed CIMA member Sharon Bridgewater hit the national headlines recently after she was found guilty of stealing £2m from her bosses. She had spent the money on flash cars, luxury homes and holidays. Apparently, it all went horribly wrong when the managing director of the marketing agency she worked for gave her the password to the bank account.

Some of Bridgewater’s purchases included a Ferrari Spider, a Porsche 911, a BMW and a 1965 Porsche Speedster.

Her salary of £78,000 obviously wasn’t enough for her expensive tastes!

PwC under attack over Northern Rock

The UK’s Liberal Democrats have accused PwC of a “conflict of interest” because the firm made more money from helping Northern Rock sell on its loans and borrow

• Despite record numbers of Brits leaving the UK, the influx of professionals from the old colonies is more than making up for the exodus

funds in the wholesale markets than it did for auditing the business.

In happier times, PwC was paid £500,000 for its audit work (in 2006) compared to £700,000 in non-audit fees. Lib Dem treasury spokesman Vince Cable said he was concerned that the auditor appears to have made enormous fees from what turned out to be the most “disastrous” aspects of the Northern Rock.

Northern Rock is a British bank based near Newcastle Upon Tyne in northern England. ■



Simon Lam ASA
BCom. GDipCom

Real Estate Professional

“Your home is my business”

Call me if you want:

- QUALITY customer service with a sense of humour
- COMPETITIVE commission rates* with NO compromise on quality
- To market your property to achieve the BEST results
- SOUND advice to help you make an informed decision on buying or selling a property to achieve a win-win outcome
- A FREE market appraisal on your property with no obligations

[* as compared with other major agencies]

Simon Lam

P: 09 579 1073 M: 021 061 8101

E: realestate@slingshot.co.nz

HUB REALTY LTD MREINZ 97 Main Highway, Ellerslie