

Numbers crunch

Sudbury Star
Saturday, November 18, 2006
Page: D1
Section: Business
Byline: Harold Carmichael

It's year end or tax time and your small business needs to get some accounting work done.

You call up one accounting firm after another and the answer is the same: they are swamped with work and you will have to find someone else to do it.

That scenario could become reality in as little as five years due to a massive drop in the ranks of the province's chartered accountants (CA).

About 35 per cent of the province's 27,139 CAs are now age 50 or older and starting to look at retirement. It's the same Baby Boomer issue raising concerns in the skilled trades.

Michelle Gladu-Laforest, president of the institute's Sudbury District branch who works at the French public school board, said the looming shortage could be much worse for non-metropolitan centres such as Northern Ontario.

"Yes, I think we are seeing it already," she said. "There are a lot more ads requiring skilled candidates. (And) I think the North is losing graduates ... Some people are just not willing to live in Northern Ontario."

Gladu-Laforest, who has been a CA for 14 years, said there are about 120 CAs in the Sudbury area who are members of her branch. Retirement is not far away for many local CAs, she said.

"I think you have (in Sudbury) a growing number are heading in that direction," she said. "We are seeing a lack of people in the French language which we need the most.

"That is also something of a problem. So, when you try to attract candidates, the big centres like Ottawa can pay higher salaries."

Gladu-Laforest said the root of the problem goes back to the early 1990s, when the CA profession in Ontario was awash with people. With not enough training positions available, she said, many university students were discouraged from going on to become a CA. Now, she said, a shortfall of CAs in their late 20s and early 30s is going to hit the profession in Ontario hard, and more young people need to be encouraged to become chartered accountants.

Don Garrioch, managing partner of the KPMG office in Greater Sudbury, says his Sudbury office is having trouble filling several positions at the branch.

"I think it's a combination of things," he said. "It's people who are qualified in this area. But, I think it's an issue right across the province: the availability of CAs."

The booming Northern Ontario mining industry and a booming economy in Greater Sudbury means local chartered accounting firms are being inundated with work.

"When everybody can generally afford chartered accountants, the demand goes up in good time," he said. "And as the companies are doing well, they want better individuals (doing in-house accounting). It attracts people away from public accounting firms."

Right now, said Garrioch, a chartered accountant who is a tax specialist is "very difficult to find. The need ... exceeds the supply."

An added feature of working in the CA field today is that CAs are not interested in living at the office.

"One of the things that is important now is work-life balance," said Garrioch, 47, himself a 28-year CA. "They are not working 80 hours a week. ... If you work them to death, they are not going to stick around."

Brian Hunt, president and CEO of the Institute of Chartered Accountants of Ontario, says the looming shortage has to be addressed now. The first step is to boost the number of CA articling or training positions spots 10 per cent from the current 4,000.

"We have traditionally taken in fewer (students) doing CA work," he said, during a visit to Sudbury Thursday. "We have to look at the corporate sector, the government sector ... to change the situation so they will have the CAs (when they need them)."

"If we don't do something, we are projecting in 2011-2012 we will see a decline in the number of CAs. If that happens, you could have a situation where you can't get the service you want."

The Enron and WorldCom financial collapses, which led to changes in the way the accounting world works, have also resulted in a greater need for highly skilled, well-trained CAs, Hunt said.

"To us, Enron was not just an accounting issue, but an issue of corporate greed," he said.