

Salary Survey

2010

Market Overview

If you have been working in the public practice market over the past two years it will have been almost impossible to escape the difficult conditions that the sector has experienced.

From an employment perspective, whether seeking a new role, career progression or a pay rise, it is unlikely that you would have found this easy to achieve. Whilst Corporate Finance has taken the brunt of the downturn, areas such as audit and tax have been far from immune. Even Corporate Recovery has been under pressure given the general health of the firms as a whole and the corresponding expectation that this specialism will cover for its ailing brethren.

Now that we have reached the mid-point of 2010, it seems that the employment outlook is improving markedly across many, but certainly not all, of the service lines across the sector. The widespread recruitment freezes seen during 2009 have generally thawed and in some cases have melted fully. The historically busy newly qualified market has picked up dramatically given the high levels of recruitment being undertaken by the banks and blue chip industry businesses as they seek to plug the gaps that have appeared during the past year or so. The hunting ground for these sectors is, at the moment, almost entirely the Big 4. However, whilst these firms are losing a significant number of staff who have chosen to leave the practice market, they are in turn recruiting their fair share of newly qualified auditors. High volume requirements within the Big 4 Financial Services audit divisions have led to flexibility in the sector experience and size of firm that they are recruiting from as long as the candidate has a strong academic record and experience of auditing sizeable and complex clients. All of these increased recruitment activities are beginning to impact the mid tier and smaller firms recruitment needs as their number of vacancies increase and the availability of quality candidates on the active market diminishes.

The improvement in market conditions is also demonstrated by the number of firms who have announced the end of their pay freezes. However, the fact that there are still many who plan to continue with their freezes for the rest of the year also highlights that there is still some way to go before the market returns to pre-recession confidence levels. Recent evidence has also suggested that firms who have maintained a pay freeze have seen staff departing at a much higher than market level as the options available to these individuals has improved.

Overall, evidence suggests that salary levels as a whole will remain in line with those of 2009, and therefore 2008. Any pay increases received by candidates within firms are being counter balanced by the slight drop in salaries experienced by those candidates who have been actively seeking a role due to redundancy and have had to take a pay decrease in order to secure employment. Candidates on the passive market (the part of the candidate market where candidates are not actively seeking a new role but can be tempted by improved conditions such as a pay increase, promotion or move into a new specialism) have maintained their salary levels and if anything, have seen an increase. This section of the market will become more predominant in the recruitment market as confidence returns and those individuals who are in a secure position feel that the time is right to improve their career.

This salary guide is exactly that: a guide. There are a great deal of variables that affect the level of remuneration an individual should receive and often it is best to speak to a recruitment consultant with extensive market knowledge to obtain a true picture of what salary should be paid for a role and skill set. A great deal of time and effort has been invested in this guide with information taken from both the salary requirements of candidates and the remuneration offered by clients when recruiting. The team at Austin Rose trust you will find the information provided useful and would be delighted to arrange a time to discuss the market conditions and salary levels in more detail.



Audit & Assurance

	London			Home Counties		
	Big 4	Mid tier	Independent	Big 4	Mid tier	Independent
<i>Salaried Partner/Director</i>	100-150	75-120	65-80	90-140	80-140	70-120
<i>Senior Manager</i>	65-85	60-80	55-65	65-90	55-80	50-65
<i>Manager</i>	50-65	48-65	45-55	47-62	39-50	45-50
<i>Assistant Manager</i>	44-50	42-48	38-43	44-50	40-46	36-40
<i>Senior</i>	40-46	38-45	35-42	38-44	36-42	32-38
<i>Semi-Senior</i>	25-32	25-32	22-28	23-28	24-30	17-23

A downward trend in audit fees and a loss of business due to clients facing liquidation have adversely affected a market that has historically been considered as being relatively recession proof. Many of the firms who have made redundancies have since begun recruiting again and the large numbers of newly qualified auditors being recruited by the Big 4 Financial Services divisions is likely to have a major impact on the mid tier firms where the Big 4 are intending to source candidates. During 2008 and 2009 the ratio of candidates to vacancies in the audit market reversed from being extremely candidate short to being almost entirely vacancy short. This has begun to return in favour of the candidate during H1 2010 and is likely to become more pronounced in H2.

Candidates at manager level and above experienced much less of an impact during the recession but in turn have seen few vacancies return to the market as firms struggle with the confidence to invest in such areas. This, combined with the lack of promotion opportunities within firms over the past two years, has meant that managerial vacancies are often being filled by staff who would historically have already been promoted earlier or left the company to obtain progression elsewhere. The one candidate who is in demand at the managerial level and above is the individual who either has a client following or demonstrable evidence of winning work. These individuals are seen as a less costly proposition and one that can help rebuild a firm's depleted client base.

Corporate Recovery

	London			Home Counties		
	Big 4	Mid tier	Boutiques	Big 4	Mid tier	Boutiques
<i>Director</i>	90-140	85-120	75-100	80-125	75-105	65-85
<i>Senior Manager</i>	65-85	60-85	60-80	58-75	55-75	52-70
<i>Manager</i>	55-65	45-65	45-60	50-58	40-58	40-52
<i>Assistant Manager</i>	44-50	42-50	40-45	40-45	38-45	35-40
<i>Senior Administrator</i>	35-42	32-46	32-42	32-38	28-34	28-36
<i>Administrator</i>	28-34	28-36	26-34	25-30	25-32	23-30

After an incredibly busy end to 2008 and first half of 2009, the corporate recovery market took a break from its frantic recruitment efforts. This was predominantly due to a combination of firms having secured the individuals needed to cope with the upturn in work during the recession and, in many cases, significantly less work flow than expected due to factors such as low interest rates and government initiatives to protect smaller businesses. At the half way point of 2010 the market appears to be improving, with a number of firms offering vacancies. However, as most candidates who were passively seeking an improved role in 08/09 were able to secure one, there are fewer candidates open to opportunities than would normally be the case. Therefore, sourcing the calibre of candidate that the firms desire could prove to be difficult for some time.

Corporate Finance

	London		Home Counties	
	Big 4	Mid tier	Big 4	Mid tier
Director	90-140	75-110	80-125	65-95
Senior Manager	62-85	55-75	55-75	48-65
Manager	48-65	45-58	43-58	37-50
Executive	43-50	38-46	38-45	33-39
Analyst	25-35	23-35	22-31	20-27

With the virtual collapse of the mergers and acquisitions market during the recession, the corporate finance sector was the hardest hit of any service line within public practice. Large scale redundancies across most firms, and in particular the Big 4, have significantly reduced the number of candidates currently working in corporate finance teams. Many firms made concerted efforts to retain the staffing levels that would allow them to grow rapidly in an upturn by seconding corporate finance teams into other divisions such as business recovery and forensics.

As the market begins to return, for which there are green shoots emerging, it will be an interesting time to see how the corporate finance teams cope with the requirements for expansion. Many of the corporate financiers who were made redundant have since secured roles in financial services or industry and are unlikely to return to the sector. Whilst there are currently a number of experienced candidates actively seeking roles within corporate finance, it is unlikely that there will be enough to cope with any significant levels of demand and therefore this is likely to be an area of great shortage over the coming years.

Forensics

	London	
	Big 4	Mid tier
Director	95-150	70-100
Senior Manager	65-85	55-75
Manager	55-65	45-55
Executive	40-48	38-45
Analyst	25-38	23-35

Whilst the forensics market has seen an increase in some areas of work such as fraud investigation, most of the upturn in work has been managed by the use of secondments from less active divisions of the larger firms. The specialist forensics boutiques, however, do not have this luxury and there is a definite requirement across these firms for candidates with strong business interruption experience. Recruitment levels are likely to increase over the coming months as individuals seconded into forensics return to their original service lines. However, the Big 4 have tried to mitigate this by restructuring their forensics departments in order to ensure that their staff utilization is as efficient as possible. The forensics market is likely to continue to offer opportunities to overseas candidates from countries where the legal and regulatory systems are similar to the UK, such as Australia and New Zealand.

Corporate Tax

	London			Home Counties		
	Big 4	Mid tier	Independent	Big 4	Mid tier	Independent
<i>Salaried Partner/Director</i>	105+	95+	85+	90+	85+	80+
<i>Senior Manager</i>	70-120	65-85	60-80	62-95	60-80	55-75
<i>Manager</i>	52-70	50-68	42-55	50-65	48-60	38-50
<i>Consultant</i>	38-53	36-48	25-40	35-44	34-42	24-35
<i>Semi-Senior</i>	28-36	26-34	20-27	25-35	24-32	20-25

Personal Tax

	London			Home Counties		
	Big 4	Mid tier	Independent	Big 4	Mid tier	Independent
<i>Salaried Partner/Director</i>	100+	75+	70+	85+	70+	65+
<i>Senior Manager</i>	65-120	60-80	55-65	60-90	55-72	50-65
<i>Manager</i>	50-68	45-58	42-55	45-62	40-55	38-52
<i>Consultant</i>	36-50	32-40	24-38	34-45	30-38	22-35
<i>Semi-Senior</i>	23-32	21-30	16-28	21-30	19-25	16-26

With headcount numbers still frozen or strictly monitored in the majority of practice firms there has been little scope for progression or recruitment within most tax departments. In addition a slack demand for in-house positions, which have been a natural progression route for newly qualified candidates, has meant that those corporate tax candidates made redundant during the recession have very few opportunities to return to work. This has been particularly noticeable at the manager level, which was hit particularly hard in the downturn. Due to the increased number of candidates at this level on the market, the salaries which are being accepted have declined and are unlikely to increase markedly in the near future.

On the whole though, workloads remain high in many tax teams across London and the Home Counties, particularly in the specialist areas such as Expatriate Tax, Indirect Tax or Transfer Pricing, where salaries have remained competitive given the difficulty firms experience in sourcing quality candidates.

