

A series of abstract, three-dimensional purple geometric shapes, including cubes and rectangular prisms, are scattered across the left side of the page. Some are solid purple, while others are semi-transparent, creating a layered effect.

Salary Survey

ECHM

2005

Ireland



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1.1 Introduction

Welcome to the third edition of the ECHM Salary Survey. As with previous years we have compiled the survey by reference to the companies with whom we work (we received surveys back from 470 companies and had detailed conversations with 35 HR Managers/Directors) and by reconciling the data gathered to our database of candidates.

The survey focuses exclusively on roles for accountants and reflects the recent round of pay reviews (December 2004).

The companies we spoke to are mostly located in the Dublin area and operate in a variety of sectors including Technology, Telecoms, Service, Engineering, Manufacturing, Pharmaceuticals, Financial Services, FMCG and Retail.

We have retained the format of last year's survey to allow direct comparisons to be made.

As we have stated in previous years, the limitation of a survey such as this is that all we can ever provide is a 'salary range' and many factors conspire to position a particular individual from your team within that range. A number of our clients have therefore found our bespoke salary survey useful. This is a free service whereby we provide a specific market salary for each individual within a team. All we need to know about them is:

- Job title/role
- Level of post qualification/pre-qualification experience.
- A rough indication of whether you consider them a 'star', 'moderate performer' or lower quartile
- Post qualification experience – as an indicator of level of experience

From this information we provide the specific salary and benefits package that we would expect them to command on the open market. The benefit of this service is it is infinitely more precise for each person than this survey can ever be.

If you are interested in this service call me, Paul Glatzel on 01 477 3969 or email me at salariesinfinance@echm.ie. You can also do this via our website, (go to www.echm.ie ~ follow the navigation to 'Clients' then 'Salaries') where you can fill a form in with these details.



1.1 Introduction

It is important to point out that salaries do fluctuate significantly across sectors and often suddenly change at certain key points within an employee's career. Therefore the information should be taken as a general overview rather than a specific benchmark. It is also worth noting that size of the company does not directly correlate with the level of salaries paid, with some smaller companies on a par with their bigger counterparts but equally some larger businesses materially short of market rate.

Whilst every effort has been made to include all major categories of staff, it is obviously impossible to cover every role. We have also avoided highlighting exceptionally low or high figures so as not to skew the data.

I hope that this survey proves useful to you and your business, we are keen to continue to develop this survey so please do contact me with comments or suggestions as I would welcome your input.

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1.2 Survey Highlights

Key features of the 2005 survey include:

- Sustained upturn in market fuels high demand for accountants at all levels
- Demand for ACAs with 0-1 years' PQE rises by 35% since December 2003
- Sarbanes Oxley ('SOX') experience massively in demand, companies typically recruiting from Big 4 or Internal Audit to satisfy need
- IFRS/IAS experts still in great demand - typical background in Financial Accounting or Big 4
- Volumes of recruitment up by 23% in finance teams
- Significant increase in the number of roles in manufacturing businesses due to improvement in this sector.
- Higher recruitment volumes push salaries up.
- Newly qualified ACAs typically offered €48,000 plus benefits.
- Typical pay rise on changing jobs is 5% but can be as much as 10%
- 'Signing on' bonuses now occasionally offered in financial services sector to influence acceptance.
- No material change in value or constituent elements of benefits packages.
- Volume of temporary and contract roles materially up.
- Hardening of temporary and contract rates with candidates in the driving seat.



2.0 Market Commentary

Whilst the Irish economy cannot yet boast the second coming of the Celtic Tiger you would hard pushed to realise that if you are either a part qualified or 0 – 5 years qualified accountant. Opportunities for accountants abound and the options range from entry point roles in Internal Audit to those in Corporate Finance with firms of CAs.

It is difficult to highlight any particular sector as the most buoyant as without doubt an exceptional number of roles exist in all sectors. There appears to be two key drivers for this upturn in recruitment volumes. On the one hand the sustained upturn in the economy with the resultant effect on confidence and thus preparedness to invest has inevitability led to more roles for accountants. At the same time though the dual pressures on finance teams of Sarbanes Oxley and IAS/IFRS has inevitably meant there has been a need to add heads to cover these areas.

Perhaps predictably many companies have focussed on Newly & Recently Qualified ACAs as the means of satisfying the many vacancies that have arisen. Given that this upturn has coincided with i) a slightly reduced number of ACAs qualifying due to the slight reduction in intake in the difficult days of 2001 ii) An increase in the quality of work on offer to newly qualifieds as a product of the improved market thus reducing their 'need' to depart immediately upon qualification, then the timing is not ideal from the perspective of the availability of 'resource' to satisfy this enhanced demand.

Inevitably as a product of enhanced demand there has been an upward pressure on salaries. The area most affected is around the newly/recently qualified level with the majority of offers received now paying towards the top end of the ranges quoted. Salary reviews have also been good with most businesses aware of the need to fairly reward the good people they have. As a guide, the typical salary for a newly/recently qualified leaving the profession remains around €45-48k

The other sector of the market to benefit from the upturn has been the more senior individuals still in the profession. Two years ago a Senior Manager would be hard pushed to find a move, nowadays it is relatively achievable with the majority of roles being taken at a senior level in audit teams.

This survey is certainly not confined to ACAs though and we have seen far more options arise across all areas of finance during 2004 for accountants whether they be ACAs, ACMAs, ACCAs or CPAs. Overall our statistics show a 23% rise in the number of roles in finance over 2003.



3.1 Analysis by function

Commerce &
Industry

	PQ: 1-2 yr Exp. €000:	PQ: 2-3 yr Exp. €000	Newly Qual €000	1-2 yr PQE €000	2-4 yr PQE €000	4-6 yr PQE €000	6 yr+ PQE €000
Financial Control							
• Financial Accounting	24 – 30	25 - 40	44 - 48	45 - 55	45 - 60	60 - 70	70+
• Management Accounting	24 – 30	26 - 38	44 - 48	45 - 50	45 - 60	60 - 70	70+
• Planning & Analysis	n/a	26 - 40	44 - 48	45 - 55	45 - 60	65 - 75	70+
Internal Audit							
• Internal Audit	25 – 35	35 - 40	45 - 48	45 - 55	55 - 60	65 - 80	75+
• Computer Audit	25 – 35	35 - 40	45 - 48	45 - 55	55 - 65	65 - 75	75+
Financial Systems & Projects	25 – 35	35 - 40	45 - 48	45 - 55	50 - 60	60 - 80	80+

Notes

- The figures quoted are base salaries and exclude benefits including car allowances.
- Variations in the salaries paid in each role often relate to differences in qualifications. ACAs tend to be paid a premium reflecting the higher salary they enjoy in the profession before leaving. However ACCA/CIMA qualified individuals with strong systems and/or analysis skills enjoy comparable salaries due to high demand.
- Financial Accounting roles presently enjoy a premium for two reasons: 1) the need of many businesses to recruit those with very well developed financial reporting skills 2) Most Financial Accounting roles are filled by ACAs which remain in short supply



3.2 Analysis by function

Financial Services

	PQ: 1-2 yr Exp. €000:	PQ: 2-3 yr Exp. €000	Newly Qual €000	1-2 yr PQE €000	2-4 yr PQE €000	4-6 yr PQE €000	6 yr+ PQE €000
Financial Control							
• Financial Accounting	25 - 30	28 - 40	44 - 48	50 - 55	55 - 70	65 - 75	70+
• Management Accounting	25 - 30	28 - 38	44 - 48	50 - 55	55 - 70	65 - 75	70+
• Regulatory Reporting	25 - 30	28 - 40	44 - 48	50 - 55	55 - 70	65 - 75	70+
• Planning & Analysis	25 - 30	28 - 40	44 - 48	50 - 55	55 - 70	65 - 75	70+
Internal Audit							
• Internal Audit	30 - 35	32 - 40	44 - 48	50 - 55	55 - 70	65 - 80	75+
• Computer Audit	30 - 35	32 - 40	44 - 48	50 - 55	55 - 70	60 - 80	75+
Risk	30 - 35	32 - 40	44 - 48	50 - 55	50 - 65	60 - 80	75+
Investment Accounting							
• Client Accounting	25 - 30	28 - 40	44 - 48	45 - 55	48 - 65	60 - 75	70+
• Regulatory reporting	25 - 30	28 - 40	44 - 48	45 - 55	48 - 65	60 - 75	70+
Financial Systems & Projects	30 - 35	30 - 40	44 - 48	45 - 55	55 - 65	60 - 70	75+
Compliance	20 - 30	30 - 40	44 - 48	45 - 55	55 - 65	65 - 75	75+

Notes

- The figures quoted are base salaries and exclude benefits including car allowances.
- Whilst there are plenty of roles around those for ACAs with good audit or financial accounting backgrounds around due to the requirements of IAS/IFRS and SOX.



3.3 Analysis by qualification

Post Experience	Qualification	Highest	Median Range	Lowest
		€000	€000	€000
0 – 1 Years				
	• ACA	50	44 – 48	40
	• ACMA	48	38 – 45	35
	• ACCA	48	38 – 45	35
2 – 3 Years				
	• ACA	68	55 – 65	50
	• ACMA	55	45 – 50	40
	• ACCA	55	45 – 50	40
4 – 6 Years				
	• ACA	80	60 – 80	60
	• ACMA	75	50 – 75	50
	• ACCA	75	50 – 75	50
6 – 8 Years				
	• ACA	120	80 – 100	64
	• ACMA	115	70 – 95	65
	• ACCA	115	70 – 95	65
8 Years+				
	• ACA	140	90 – 110	70
	• ACMA	135	85 – 100	70
	• ACCA	135	85 – 100	70

Notes

- The figures quoted are base salaries and exclude benefits including car allowances.
- The figures for ACAs are based largely on those working for Big 4 firms. Small/medium firms typically pay slightly less.
- The sizeable salary range at some levels reflects the material variation seen between the salaries paid at some of the larger companies versus the smaller ones.



3.4 Temporary & Contract Rates

Whereas 2003 saw a reasonable uplift in the volume of temporary and contract vacancies 2004 has seen a material upturn and a return to a candidate short market.

This upturn is driven both by an increase in the number of vacancies generally (of which a percentage will always be temporary & contract) but also by the SOX and IAS projects which abound and have given rise to numerous 6-9 months contracts.

Interestingly, we are seeing a significant number of 15 – 18 month contracts particularly in relation to SOX and IAS projects. The problem though for recruiters is that the skill set they seek for these roles are typically permanently employed and predictably are reticent to forgo a permanent role for a shorter term one.

We have not seen any material change in rates although accountants with the requisite skills to undertake IAS or SOX projects will certainly be highly sought after. Rates can vary materially role to role and person to person, however as a guide:

- Financial Controller ~ €26 – 30/per hour
- Business analyst ~ €19 – 23/per hour
- Project accountant ~ €18 – 22/per hour
- Accounts assistant ~ €12 – 17/per hour
- Financial/management accountant ~ €18 – 24/per hour

As the employer you would typically expect to pay a multiple of about 1.35 of the quoted rates. This would cover the agency's margin, holiday pay and PRSI.

Please call us for more precise information on rates for temporary & contract roles.



4.0 Benefits

Whilst we are yet to see many businesses offer a package whereby employees are allocated an amount for benefits and they decide the composition, we are seeing many more large employers working to provide employees with preferential deals in respect of some benefits. For example where VHI is not provided a company may negotiate a 10% Group discount from which all employees can benefit. Equally schemes to facilitate cheaper cost of private car use are becoming more common.

- **Voluntary Health Insurance (VHI):** The majority of businesses surveyed offered a reasonable scheme. Other private medical insurance cover such as BUPA is a benefit if VHI was not offered.
- **Pension Scheme:** The value of this benefit varies materially between businesses. Larger businesses typically contribute at least 3% (in financial services this often rises to 10%) of salary (often subject to matched employee contribution) with some giving materially more. Most companies with a scheme also offer Life Assurance at 4 x basic salary. We have also seen more businesses prepared to contribute more than their 'base' amount if these are matched by employees.
- **Performance Related Bonus:** Bonus levels are slightly up on last year but not materially. Levels of bonus up to 20% are common even for mainstream finance roles. More revenue generating areas continue to benefit from higher percentages. Invariably the bonuses combine elements relating to personal and corporate performance.
- **Employee Share Purchase Scheme:** This is typically a benefit available to Management and Senior Management although we have seen some of the larger companies offering it across the board. The number of firms offering such schemes has remained largely static at approximately 8%. As share prices continue to improve such schemes may return to prominence. .
- **Permanent Health Insurance:** This is offered by approximately 17% of respondents and typically only at the senior levels.



4.0 Benefits

- **Company Car/Car Allowance:** At a senior level (roughly 3 – 5 years PQE) it is the norm to offer a Car Allowance/Company Car whereas at the junior level it remains rare. More and more companies are now only offering a cash allowance reflecting the administrative burden of running a medium to small sized fleet. The value of the cash alternative appears to start at around €6,000 rising to €12,000. The average is €9,000 - €10,000.
- **Holidays:** Whilst many offer only the statutory minimum an increasing number of businesses offer more – up to 28 days in some cases. Additionally larger companies often operate flexitime schemes whereby additional days can be 'bought'.

General comment:

Between 2003 and 2004 we saw some shift/improvement in benefits packages as the market begun its upturn. The changes this year have been less pronounced however that is to be expected.



5.0 About Us

ECHM (formerly known as ECHM Accountancy Connections) is a specialist in the recruitment of qualified and part-qualified finance staff across the Financial Services & Commercial Sectors throughout Ireland. Our clients range from global corporations to smaller owner managed businesses.

ECHM is part of Imprint Search & Selection Plc and has offices in Dublin, London, Leeds, Birmingham, Manchester, Amsterdam, Tokyo, Windsor and Hong Kong. Imprint is listed on AIM in the UK but has strong Irish roots as it is Chaired by one of Ireland's serial entrepreneurs – Pierce Casey. Imprint's CEO is Brian Hamill who originates from Limerick and who formerly ran Walker Hamill prior to its sale to Marlborough in 1999. ECHM and Imprint together are unique in the ability to deliver a finance recruitment service for junior PQs to main Board CFOs both locally and internationally whilst retaining a strong personal touch.

Our aim has always been is to provide all of our clients a level of service "you can personally recommend" by tailoring our service to the differing needs of individual companies and delivering excellent staff at good value for money.

Equally, we rely on our candidates recommending us and pride ourselves on the way we look after them. Over 85% of all candidates presently come to us via recommendation or our research team.

Ultimately though words are very cheap and the only way that you will ever really be able to form a view on us is by giving us a try. To discuss how we might be able to assist you with your recruitment needs either now or over the coming months please call me on 01 477 3969 or email me at paul.glatzel@echm.ie

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