

DELIVERING EXPERTISE INTERNAL AUDIT

Turbulent markets but Internal Audit recruitment remains buoyant

As the public sector internal audit departments struggle to survive cut backs, internal audit professionals in the financial services sector are still in high demand. Investment in internal audit and corporate governance functions is continuing to rise as financial service firms seek to align to the increasingly strict FSA guidelines.

Banking

The majority of the retail and corporate banks have continued to hire in 2011 and despite some larger banking groups going through senior management restructuring programmes, the number of roles being approved for recruitment at newly qualified to manager level has not fallen. There was a significant reduction in recruitment of internal auditors in the recession and this has been compensated for in 2010 and 2011.

While general banking experience is always in demand, the number of niche vacancies requiring specialist skills such as compliance or credit risk expertise is rising. The number of internal auditors with this skill set can be limited and the banks have been known to take experts in these risk or product areas and train people on the audit process if necessary.

Some specialist audits on the annual plans, such as remedial AML and Risk project based work has been covered by employers hiring contract staff. As such the rates for contractors has remained consistent as the demand for them remains steady.

Despite banking clients trying to benchmark candidates they hire against existing peers, this can be challenging. The investment banks have been known to attract candidates with larger packages especially as buying out bonuses is fairly uncommon, even as they try and hire in the final quarter of the year. Some banks have decided to adhere to their salary structures and have not gone out beyond their boundaries.

Insurance

Demand in the insurance sector which was not hit as hard by the recession has returned to pre recession levels in the first half of 2011. This may be due to an increase in internal audit functions brought in house and demands increasing, following takeovers and reorganisations. With the development and growth of internal audit departments in some of the major

insurance groups, the markets have moved swiftly in 2011. Solvency II is becoming a feature with shortages of specialist Auditors knowledgeable in this area. There are many examples when newly qualified ACA's from the insurance sector can make the move into banking and this has resulted in a real shortage at the senior auditor level too.

Consultancy

The consultancy sector has recovered in 2011 and this is set to provide substantial demand into 2012. The consultancies will ensure they have sufficient staffing to cope with the demand for their services, in particular taking candidates from the insurance and banking sector. A period working for a consultancy can be a career enhancing experience; opening up further opportunities in the financial services sector at a later date.

Big 4 trained internal auditors from both the insurance and banking sectors are being tempted to go in house for better packages, more varied roles and the potential to move into the business in 18 months. The banks often appeal to candidates attracted by larger bonus structures but may not always offer a better work/life balance.

Asset management

The asset management sector has made some senior audit hires in 2011 but the senior banking audit market has been fairly flat. This has been a result of many vacancies being filled at this level following the recession and these roles have remained filled in 2011. Senior Auditor - Vice President opportunities still dominate the recruitment market but we may see senior candidates re-evaluate their roles in 2012 due to restructure or by their own accord. This could lead to another shift, resulting in more senior audit banking opportunities on the market in the first quarter of next year.

Looking ahead

Despite current insecurities in the banking world and some head count freezes as a result of this, as we go into the final quarter of 2011 there has been little sign of internal audit staff reductions. Unless there is another severe financial crisis, the high demand for internal audit professionals is anticipated to continue into 2012.

Internal Auditor

UNQUALIFIED 1-3 YEARS' EXPERIENCE	
Retail Banking	£25,000-£36,000
Investment Banking	£28,000-£43,000
Insurance/Mortgage	£25,000-£36,000
Asset Management	£25,000-£40,000

Senior Internal Auditor

NEWLY QUALIFIED ACCOUNTANT 3-5 YEARS' EXPERIENCE	
Retail Banking	£45,000-£55,000
Investment Banking	£48,000-£60,000
Insurance/Mortgage	£42,000-£55,000
Asset Management	£45,000-£58,000

Internal Audit Manager

QUALIFIED ACCOUNTANT 5-8 YEARS' EXPERIENCE	
Retail Banking	£50,000-£75,000
Investment Banking	£55,000-£85,000
Insurance/Mortgage	£50,000-£70,000
Asset Management	£55,000-£80,000

Senior Internal Audit Manager

QUALIFIED ACCOUNTANT 8 YEARS'+	
Retail Banking	£70,000-£85,000
Investment Banking	£80,000-£100,000
Insurance/Mortgage	£70,000-£85,000
Assets Management	£75,000-£95,000

Head of Internal Audit

QUALIFIED ACCOUNTANT 15 YEARS' + MANAGING & INTERNAL AUDIT FUNCTION AND TEAM	
Retail Banking	£85,000-£120,000
Investment Banking	£90,000-£150,000
Insurance/Mortgage	£80,000-£110,000
Asset Management	£90,000-£125,000

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