



How you can use the..... Accounting Services Price Index (ASPI)

What is the ASPI?

The **ASPI** is an annual index that will measure changes in the prices of accounting services, such as auditing, tax and bookkeeping services. Movements in the price index reflect changes in labour costs and in other inputs related to these services, including overhead and mark-up. Separate price indexes will also be established for different accounting activities (or class of service) and for various regions of Canada.¹

The **ASPI** will be produced from an annual survey of Canadian firms specialising in accounting, auditing, tax and bookkeeping services.

The survey will collect price data from year to year on a variety of services offered by firms in this economic sector.

Classes of Service

- A. Audit, review and related services.
- B. Other assurance services.
- C. Bookkeeping, compilation and general accounting services.
- D. Tax preparation services for corporate clients.
- E. Tax preparation services for individuals and unincorporated businesses.

- **For Engagement Escalation**

An accounting firm wins a bid for a multi-year project. Over the period of the engagement, the firm expects to increase employee salaries to compensate for inflation and to reward performance and to see cost increases in other inputs of the engagement. The firm and its client agree that the value of the multi-year engagement should reflect these future increases and that the maximum allowable increase in the engagement value will be tied to the historical trend of the ASPI.

¹ Certain indexes produced by class of service or geographical region may not be published for reasons of confidentiality and accuracy.

- **To Evaluate Business Performance**

Using the ASPI, an accounting or tax firm can compare the changes in its costs or price increase with those of all other firms offering the same services. In this way, the firm can evaluate its competitiveness.

- **To Track Purchase Costs**

Private companies, public and para-public organisations purchase accounting services on a large scale. For budgetary reasons, they must tightly control their expenditures. Using the ASPI, an organization will be able to measure changes in the costs of these services and to monitor market trends. Knowing how prices have changed over time for these services, an organisation will be in a better position to predict future price movements.

- **To Measure Economic Performance**

Total revenue from the sale of accounting, auditing, tax and bookkeeping services is used to estimate the industry's gross domestic product, an important measure of Canada's economic performance. In any given year, the value of this industry's revenue reflects both the volume of services sold and their selling prices. To measure the year-to-year changes in the volume of services sold, price change must be factored out. Current dollar estimates of the gross domestic product for this industry will be deflated using the ASPI.

For more information...

The Accounting Services Price Index will be available on CANSIM. For more information please contact us at (613) 951-3408 or by fax at (613) 951-2848. If you have any general enquiries about price statistics, you may call our Client Services Unit toll free at 1-866-230-2248.