Final Assessment Report

Academic Review of Master of Taxation

February 1 2012

Background and process

This program was approved in 1997, and the first full-time students entered the program in September 1997. As of 2000, it was expanded to admit part-time students. It is somewhat unusual in that all the courses are offered in Toronto. The part-time students are typically employed in positions relevant to tax, and four large accounting firms are major partners. Full-time students also work in tax practice in two four-month internships during the program. As of spring 2011, there have been 252 graduates (all but four with the Masters; the remaining four completed the Diploma in Taxation), averaging 20 graduates per year. The program was last reviewed in 2004-05.

A self-study was prepared by the program, and external reviewers on October 13 and 14 2011. The external reviewers were Dr. Thaddeus Hwang, Associate Professor in the Faculty of Liberal Arts & Professional Studies, York University, and Dr. Barry Gorman, Professor, Sobey School of Business, Saint Mary’s University. Dr. Jonathan Sykes of the Department of Civil and Environmental Engineering served as the internal reviewer. The review report was dated January 6, 2012 (following some discussion of clarifications), and responses and an Implementation Plan were received with input both from the Program Director, the Director of the School, dated January 27 2012. The Dean of Arts also indicated his receipt of the report and acceptance of the recommendations in a memo dated January 26 2012. This Final Assessment Report is based on the self-study, the review report, the program response and implementation plan, and the Dean’s memo.

This Final Assessment Report, along with review report, self study, program response and program Implementation Plan were provided to a reading subcommittee of Senate Graduate and Research Council. The committee consisted of an Associate Dean of Graduate Studies, and Associate Dean of Research, and a graduate student member, all from Faculties outside of Arts (the Associate Dean of Graduate Studies holds a 25% cross-appointment in Arts, but not in the School of Accounting and Finance). This group led the discussion of the Final Assessment Report at the Council meeting on February 13 2012, which evaluated the program as Good Quality. This Final Assessment Report was forwarded to Senate for information in the consent agenda on March 26 2012.

Self Study

The program requires 12 courses plus a Masters Research Paper (which counts as a 13th course credit). There are no electives. Full-time students can complete in 3 academic terms plus 2 practice terms, while part-time students normally take 6 terms, or in a modified schedule can complete in 11 terms. The program has five full-time faculty associated with it (the Director who also teaches in the program and Associate Director, both Lecturers two tenure-stream faculty who each teach one course, one of whom has supervised the large majority of the research papers, and the Director of the School of Accounting who provides oversight). In addition, there are a dozen or so Adjunct Faculty (typically tax professionals) who teach courses; the subject matter of the program is sufficiently specialized that individual universities do not have the expertise to cover the breadth of material. The program is the only one of its type in English-speaking Canada.

The program has appropriate goals for a professional program. There are intended learning outcomes in six areas (communication, relationship and business issues, research and interpretation, professionalism, learn-how-to-learn and finally technical competencies). These objectives are achieved through a variety
of methodologies including case-based learning, assignments requiring targeted writing, class participation (which in turn requires pre-class preparation and reading), and individual as well as group assignments. The Research Paper develops research skills. In addition to the courses, there is also a one-day orientation prior to the start of the first term, and throughout the program there are workshops to develop specific skills and knowledge.

Students utilize extensively online materials including electronic tax databases from the major tax publishers (they can also request materials to be sent from the on-campus collection). Students also receive access to the Canadian Tax Foundation library in Toronto. Students use the online learning system, and communicate with one another via Skype (etc) for group work, and with faculty via email/phone, and in office hours prior to and following class.

Admissions standards are high (the average is over 80%), and most applicants are interviewed. Over the period 2001-02 to 2010-11, over 90% of those admitted have remained in the program, a very high proportion for a program where some students are working full-time. The median time to completion is 5 terms, indicating that the large majority are full-time students who follow the exact schedule the program encourages. Mean time to completion is around 2 years.

Review report

The reviewers had meetings both in Toronto and Waterloo. The reviewers commented “A very impressive Learning Model has been developed for the program”, and that “Six students have won the student paper prize awarded by the Canadian Tax Foundation for Ontario students”. They commented favourably on the Tax Policy and Major Research Paper courses: “In our view, the program has been fortunate to have a dedicated academic assigned to these courses. The time and effort exerted on these courses is well beyond the norm for most non-thesis graduate level courses of a similar nature.” They concluded: “In our view this program is meeting its stated objectives and is providing a valuable service to the professional tax community”. They also commented “After lengthy discussions regarding potential expansion of the program, because of logistical and faculty-related issues, we cannot see this program expanding beyond its present format, student number or method of delivery.” In discussions, the reviewers articulated that the program fulfils a particular niche, and does so very well.

The reviewers did not address all the review criteria. They commented that they did not receive information on entering student transcripts, outgoing student transcripts, student course evaluations, or course outlines other than the current ones, or enough data on graduates to be able to comment in detail on employment after graduation, post-graduate study, and alumni reports on program quality (The current University of Waterloo template does not call for information on entering averages, or a survey of graduates: these data perhaps should be added to the template in future).

The reviewers’ recommendations are reproduced verbatim below:

1. Because of the announced retirement of one full-time faculty member, and 2018 being the normal retirement date of another full-time member, serious consideration must be given to developing a five-to-seven year faculty succession plan.

2. The majority of the program is taught from the perspective of a professional tax accountant. Topics range from the analysis of tax problems to serving client needs, planning tax strategies, etc. Notably absent in the course materials is the “other side” of tax practice, viz. the Canada Revenue Agency, the Department of Finance, and the tax courts. A solid understanding of how these agencies function enhances a future tax professional’s understanding of taxation. Currently this side of taxation is met by occasional guest speakers from the noted agencies. Although we
understand the potential problems associated with engaging an instructor from, for example, the Canada Revenue Agency, we believe adding such a person to the faculty (perhaps a recently retired individual) would enhance the student’s understanding of taxation.

3. The Tax Policy course can be used to provide a systemic overview of the tax system so the students will learn not only how things are done but also why they are done in particular ways. It will enhance the education value of the program if the students can have exposure to tax policy and related content as early as possible in the program.

4. The Major Research Paper course with a 40-page paper requirement is invaluable to the program as it offers students a precious opportunity to explore a topic of their choosing under the guidance of the course director. More often than not, such a project can be the highlight of the educational experience of the students if they receive the guidance they need. Therefore, the decision on the pending appointment of the next course director requires very careful deliberation.

Program Response

The Program faculty provided additional data to address areas where the reviewers expressed the desire to know more. Student entering averages exceed 80%. The mean course evaluation exceeds 4 (out of 5) for the last 6 years, and the mean on the question about instructor availability also exceeds 4 (the reviewers had asked whether students felt they had sufficient access to instructors, given the part-time nature of the program).

Responses to the four recommendations are reproduced verbatim, as follows:

1. There are currently 7 full-time faculty members who make up the tax team in the School of Accounting and Finance. As noted in item 2.7 above, there is a regular and ongoing consultative process between the Program Director and the Director of the School of Accounting and Finance, the Associate Dean for the Faculty of Arts and university tax faculty. Our plan is to formalize the current consultative process with semi-annual meetings of the university tax faculty. The issue of succession will be looked at by this group in collaboration with the Program Director and the Director of the School of Accounting and Finance.

2. We would like to note that the view of the Canada Revenue Agency (CRA) is highly integrated into course design throughout the program. Material produced directly by the CRA is used in case studies, lessons, assignments, readings and core materials. These documents and information are an important part of the balanced presentation of issues and discussion. The students have a full database of material published by the CRA, which includes such items as Interpretation Bulletins, Information Circulars, Advanced Tax Rulings, External and Internal CRA correspondence, and published positions for Roundtable discussions.

As noted earlier in this response, the Director General, Income Tax Rulings Directorate, and Chief Technical Officer, Canada Revenue Agency has been in the classroom on several occasions over the past three years and has interacted directly with students and faculty. In addition, he participated in our Faculty retreat and was very impressed with the quality of the teaching, content and students, and saw no gap in the representation of the Canada Revenue Agency in the overall program.
When recruiting faculty to teach in the program we seek a specific skill set that aligns with the course to be taught and the ability to communicate and engage students in the classroom. We believe it would be remiss on our part to simply look at an individual’s employer (Canada Revenue Agency) as a reason to hire that individual. However, if an individual who has worked at the Canada Revenue Agency is the best candidate for a position we are filling, we would indeed consider him/her at that point in time.

3. The Tax Policy course has been taught in term one of the program for many years. At the request of the faculty member who teaches this course, it was moved to the second term. We will continue to monitor whether this is the best term in which to gain the most benefit from the course and will discuss it with the university tax faculty group.

4. We agree that the decision regarding the next individual to direct the Tax 638 course is important. After careful consideration, the Program Director has been appointed to fill the position. The Program Director has demonstrated strong success in the classroom and in engaging students in the learning process. She has a strong breadth of tax experience and is adept at providing guidance to students to help them excel. In 2010, at the request of the professor who was then teaching this course, the Program Director was asked to supervise a group of students. Her success in supervising these 10 students (1/3 of the class) was consistent with her success in other courses. Student feedback was outstanding. This course-based research paper occurs as one of four courses over a 4-month period and, as such, it is highly valuable for students to have accessible faculty who are readily available to provide on-site coaching and to dialogue and guide the students through the process. This change allows us the opportunity to appoint another university tax faculty member to assume the Pre-Admission course.

The Dean’s response endorses the program’s response and plans, as follows: “I am very pleased to write in support of the program’s response to the recent review of the MTax program. I have read the self study and the external consultants’ reviews carefully, and noted that their assessment was consistently positive throughout. The few observations that they made were persuasively addressed by the program and school director in the detailed response. The only item of significance in the report that was not answered in detail by the program and school director is that the program director, who has been instrumental in the success of this program, is currently on a definite term contract. The reviewers suggest that this might weaken the degree of academic oversight. I am currently working with the School’s Director and the Vice-President and Provost to ensure greater stability for the future (though this has not caused any difficulties to date).

Two-year Implementation Plan

Summarizing the above, steps to be achieved by September 1 2014 (when the two-year implementation report is to be received) are as follows (items in italics are explanatory comments from the Associate Provost).

I. Tax Faculty Advisory Group

It is our intention to formalize the current consultative process where input is frequently sought from tax faculty within the School of Accounting and Finance. The Tax Faculty Advisory Group will be comprised of full-time tax faculty within the School of Accounting and Finance. This group is currently comprised of Professors Jim Barnett, Ken Klassen, Deborah Kraft, Stanley Laiken, Alan Macnaughton, Kevin Markel and Julie Robson. Note: of these, Professors Kraft, Laiken and Macnaughton teach in the
program, and Prof. Barnett is the School Director. The advisory group will meet twice each year, with a formal agenda of items for review and discussion. The following is a list of agenda items along with proposed timelines.

2012 Agenda Items for Consideration

- **Succession Planning:** In 2012, we will begin the process of developing a succession plan for full-time faculty who are currently teaching in the MTax program. While there is no immediate urgency, we agree that a plan to address longer term needs will be helpful. The issue of succession for tax faculty affects not only the Master of Taxation program but the School of Accounting and Finance. Therefore, plans and recommendations will need to involve the Director of the School of Accounting and Finance who is accountable for faculty hires.

- **Major Course Changes:** As explained in our response to the review team’s report, there is a well-defined process for making significant course changes within the School of Accounting and Finance and the University. Our intention is to continue to work within the pre-defined process; however, it is our intention for this advisory group to undertake a preliminary discussion about the current course complement within the program. Any recommendations coming out of this group’s discussion will be put forward for a major review in 2013.

- **Scholarship Review:** We would like to review student awards and recognition within the MTax program. With input from this advisory group and other stakeholders, our intention is to redesign and update where appropriate.

- **MTax Learning Model:** Input will be sought from the advisory group to ensure that the MTax Learning Model continues to be well integrated into our program philosophy and courses.

- **Tax 638 Course:** The advisory group will look at the delivery of this course to ensure the longer term plan continues to meet the needs of our students.

- **Alumni Career Advancement:** Our program currently tracks career-related information and reports regularly on the employment profile of alumni, including an analysis by sector. We would like to seek input from the advisory group as to how we might identify other valuable information that will allow us to evaluate the program’s role in the advancement of our graduates’ careers.

2013 Agenda Items for Consideration

- **Succession Planning:** We will continue to develop a viable succession plan for full-time faculty in the MTax program in conjunction with the Director of the School of Accounting and Finance.

- **Major Course Changes:** As noted above, any recommendations coming of the 2012 preliminary discussion related to significant course changes will be addressed in 2013. The idea would be to put together a project plan to fully investigate and address any proposed course changes.

- **Tax 625 Course:** The review team suggested that the Tax 625 (Tax Policy) course be taught as early as possible in the program. As noted in our response to the review team’s report, this course was moved from the first term to the second term beginning in the Spring 2012 term. We will have the advisory group consider this issue for input as to the best term in which to gain the most benefit from the course.

Ongoing Items for the Tax Faculty Advisory Group

- **Succession Planning:** The succession of full-time faculty in the MTax program will remain an ongoing item for this advisory group.

- **Curriculum:** While the current process within the School of Accounting and Finance would involve all tax faculty members in the discussion about any curriculum changes, it is our intention to formalize the discussion through this advisory group.
• Significant course changes: While the current process within the School of Accounting and Finance would involve all tax faculty members in the discussion about significant changes to our current courses, it is our intention to have formalize the discussion through this advisory group.

II. Monitoring Student Evaluations – “Instructor Availability”
As noted in our response to the review team’s report, we believe that the student evaluations indicate a high level of satisfaction for the issue of “Instructor Availability” and that this is consistent with an on-campus environment. We will, however, continue to monitor course evaluations and will take proactive steps if we see any significant deterioration.

III. Succession Planning
It is likely there will be a financial cost associated with the succession plan. At this point in time, it is too early to estimate the cost but it will be determined and considered by the advisory group together with the Director of the School of Accounting and Finance. The program and School will report on further progress regarding succession planning/stability of the program.

IV. Learning Model Outcomes
The program will report on progress made towards measurement of the outcomes of the Learning Model.