

# Final Assessment Report of the Review of the Bachelor of Accounting and Financial Management (BAFM) Program

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## Introduction

The School of Accounting and Finance's (SAF) primary goal is to be the pre-eminent School of Accounting and Finance in Canada and a leader internationally. SAF evolved from the School of Accountancy changing its name in 2007. SAF offered in Fall 2013, undergraduate programs to over 1800 accounting and financial management students in Arts, Mathematics and Science. It also offers the Masters of Accounting to over 200 students plus a related Diploma to over 30 students. It offers a Masters of Taxation Program in Toronto to approximately 40 students admitted each year in the two year program. In addition, the School provides service teaching to non-accounting majors. In the most recent year the School offered 3762 student-courses.<sup>1</sup>

The Bachelor of Accounting and Financial Management (BAFM), the subject of this final assessment report, started in 2003. The first review of the BAFM program occurred in 2009 along with the review of all of SAF's programs (including graduate programs) at the time. The current review is therefore the second and covers the period 2008-2013. During this time the School embarked on a growth strategy, with plans to increase its undergraduate enrolment and to transition from being the School to attend for public accounting professionals to being the School to attend for accounting and finance professionals. Although not formally a business school, SAF competes with elite business schools in Ontario (Toronto, Western, and Queen's) and regionally with Wilfrid Laurier, McMaster, Brock, York, and Ryerson. Currently, the School is adjusting its programs to respond to the unification of professional accounting organizations into the Chartered Professional Accountants (CPA) of Canada, and the attendant changes to professional accreditation under this new designation.

## Results of Previous program review

SAF was successful in ameliorating most of the issues identified in the previous review as they concern admissions and recruiting, student retention, curriculum, assessment of student learning, student support, teaching effectiveness. Ongoing issues relate to large class sizes (participation, assessment), low numbers of international students and lack of transparency with respect to tuition (level and increases). Funding remains problematic both in terms of amount and predictability and the growth in the number of faculty members has trailed the rate of growth in the number of students and courses that need to be taught. Co-op placement remains problematic for international students and

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<sup>1</sup> A student-course is one student taking one section of a normal one semester half-credit course.

the program and prerequisite structure make it difficult to accommodate transfers from students already enrolled in other programs.

### **Self Study Process**

This self-study was submitted on June 7, 2013. The site visit was conducted January 23-24, 2014. The review team external members were Prof. David Stangeland (I.H. Asper School of Business, University of Manitoba) and Prof. Teri Shearer (Queen's School of Business, Queen's University). The internal member was Prof. Andre Unger (Earth and Environmental Sciences, University of Waterloo). A team of faculty and staff were involved in the preparation of the undergraduate self-study report. The School collected surveys and numerous performance measures pertaining to admissions, student performance, research performance, and service with different team members responsible for different sections. The reviewers' report was received on February 13, 2014 and the School's response and implementation strategy, with timelines, responsibilities and resource needs assessment, was received on July 24, 2014. This final assessment report is based on information extracted from the self-study, the reviewers' report and the program response.

### **Faculty Quality**

Internationally, the School is a research leader in accounting research and a significant researcher in finance, as exemplified by high rankings in the Brigham Young University (BYU) and Arizona State University's (ASU) rankings, respectively. SAF was one of 22 non-American universities in the top 100 of the BYU ranking (a global accounting research ranking) and the second in Canada, after University of Toronto. SAF was tied for 8<sup>th</sup> spot among Canadian universities in the ASU ranking (a global finance research ranking).

The faculty complement for 2013-14 is 48 faculty members, with 8 full professors, 15 Associate Professors, 11 Assistant Professors, and 14 lecturers. Faculty members are productive in publishing their work and have received significant research funding and research awards. In addition to research conducted by individuals, the School boasts five research centres. Editorial and reviewer activity is extensive and SAF continues to play a national and international leadership role in the creation and dissemination of research.

The external reviewers commented that the balance between traditional "academically-qualified" faculty and those with primarily "professional" qualifications is similar to what is observed in most Canadian business schools.

Sessionals play a large role in SAF in teaching both required and elective courses. From 2007 to 2013, there were 80 sessional instructors teaching the equivalent of 300 graduate and undergraduate courses. The reviewers commented that the large role played by sessional instructors is consistent with practices at most Canadian business schools and is meant to ensure that students are exposed broadly to the professional practice dimensions of their studies.

Teaching loads vary according to research output, and vary from five courses per year (faculty with low research output) to three courses per year (faculty with high research output). Fulltime lecturers normally carry a load of six courses per year, with a substantial service requirement. The School does extensive teaching, including service teaching. Currently, the School teaches all accounting and financial management courses for AFM students and the Mathematics and Chartered Professional Accountancy Program and the Biotechnology and Chartered Professional Accountancy program. In addition to these accounting programs, the School also provides service teaching to students in Arts and Business, Environmental Studies and Business, Mathematics/Computer Science and Science. Financial and managerial accounting courses (AFM101, 102, 123 and 131) are offered to non-accounting majors across campus and these have very high enrolment. Some senior School courses are made available to students in other programs.

Across all instructors the average evaluation score was just above 4.0 (out of 5) over the review period, while the Faculty of Arts has averaged 4.2. Over the past 18 months the School has launched several initiatives to enhance the quality of teaching and learning in its programs. For example, the School now has an Associate Director of Teaching and Learning, who has instituted a number of programs including a mentoring program, a peer review process, and a series of lunches devoted to pedagogical issues. The School has also established a Learning Outcomes Committee, which monitors the School's undergraduate and graduate programs to ensure their learning outcomes are aligned with the needs of the accounting and finance professions, and to assess whether these outcomes are being met.

### **Program characteristics**

The AFM program is extensively integrated with the Computing and Financial Management (CFM) program, the Mathematics and Chartered Professional Accountancy program and the Biotechnology and Chartered Professional Accountancy program. The CFM program was reviewed concurrently but separately with other CS and Mathematics programs.

With the exception of the CFM program, AFM students predominantly aspire to professional accounting designations, although many students are strong in finance. The School is well placed to continue to take students through to professional exams. It has had its accreditation to deliver professional education extended through to 2019 and plans in place to continue to cover all elements of professional accounting programs.

The current AFM program has adopted a "Learning Model" whereby key learning outcomes has been identified related to the following competency areas: functional competencies, understanding business, thinking and problem-solving skills, communication skills, leadership and collaborative skills, learning how to learn, and

ethical conduct. The first class to experience the program impact of the newly adopted Learning Model initiative (Class of 2016) commenced its first year in the fall 2011 term.

All AFM students are enrolled in co-operative studies, requiring 4 work terms to meet program requirements. There are two streams for co-op purposes, public accounting and business and finance. Students in the two streams have equal access to all courses, but the former have preferential access to CA training office (CATO) co-op jobs. Streaming is done at admission. Beginning with the class entering in fall 2014 this distinction will be removed and all of the School's students will have equal access to CATO jobs with the exception of the Computing and Financial Management students who emphasize finance.

AFM students engage in paid professional work that is relevant to their education in three primary areas: public accounting practice, corporate and public financial management and financial services. Surveys indicate that students are satisfied with their co-op experiences and employers are pleased with the value that students bring to their organizations. Between 2006 and 2012 95% of respondents ranked their employer 7, 8, 9 or 10 (out of 10), with 69% of students giving their employer a rating of 8 or 9. Co-op employment rates for AFM co-op students remain at or near 100% term over term (98.2% to 100% between January 2008 and December 2012). From 2006 – 2012, employers ranked 84% of students ranked Outstanding, Excellent, Very Good, and the highest percentage of students ranked Excellent (40%).

### **Student applications, enrolment, quality and attrition**

The AFM undergraduate program is a high demand program, garnering 2400 to 3200 applications each year. The target number of students (OSS and non-OSS) in the program grew from 125 students in 2003, the first-year of the program, to 300 in 2009. The School currently enrolls approximately one in ten applicants. OSS students must have a minimum 80% admissions average based on six U or M high school courses. Between 2007 and 2009, the top five geographic origins of the program applicants were from Canada (92.47%), Pakistan (1.51%), China (1.08%), Hong Kong (0.97%) and United Arab Emirates (0.71%). Confirmed students by country (top 5) were Canada (98.19%), Pakistan (0.45%), United Arab Emirates (0.34%), Qatar (0.23%) and 7 other countries (0.11%). The AFM program draws the vast majority of our students – applicant and confirmed – from Canada, and specifically Ontario.

As of the Nov. 1 count dates, from 2009 to 2012, the average number of students in the AFM program was 297 students, with a notable anomaly in 2009 when 362 students were enrolled.

Despite the large increase in enrollment, the quality of the applicants and admitted students has been maintained, if not increased. High school admission averages above 90% are now approximately 60% of the admissions; whereas in 2007 approximately 60%

of admissions were below 90%. In addition to high-school grades, applicants are assessed on the Accounting and Financial Management Admissions Assignment (AFMAA), which seeks to assess written communication, critical thinking, analytical skills, creative thinking, and judgment.

High student quality is indicated by the number of awards, scholarships, success at competitions and other recognitions received by AFM students. High student quality is further indicated by their success in the Uniform Evaluation (UFE), a national examination written by students pursuing the Chartered Accountant designation. Another valuable measure is the number of senior positions held by the School's alumni in industry, public practice, government and academia. A significant percentage of the students in the graduate program come from the undergraduate AFM program - another measure of program quality. Alumni continue to be recognized by external organizations, both nationally and regionally.

Student attrition in the program has changed over time. During the early stages of this growth, attrition rose from 16.8% for the Fall 2003 cohort to a peak of 37.9% for the Fall 2005 cohort. In subsequent years, attrition declined to 26.5% for the Fall 2008 cohort, the last year of data provided. The School has taken steps in terms of early intervention and improved counselling to reduce attrition. Effective Fall 2010, the School dropped the average to remain in the program from 75% to 70%, which should reduce attrition even more. These numbers do not differentiate between students who transferred to other programs or those that left the university voluntarily or otherwise.

## Strengths and Weaknesses of the Program

### Strengths

- SAF is a top-ranked Canadian school, reflecting the research strengths and impact across accounting and financial management areas
- The AFM program is in demand (accounts for 37% of all Arts applications) and it attracts strong students. The program has been improved by adoption of a new learning model and revised curriculum
- AFM is unique - 17 Ontario universities offer undergraduate programs in the fields of accounting and/or finance but only AFM offers a co-operative program combining accounting and finance .
- There are numerous opportunities for student engagement in the AFM program beyond the formal curriculum – for example, e-portfolios, a variety of professionally oriented competitions, ambassador program, student-run investment fund, roundtable events between the student association and the School, speaker series and a first-year living learning community.
- Lecturer compensation is as high, or higher, than peer schools.

### Weaknesses

- Low numbers of international students – however many of SAF’s students are landed immigrants who have come from a foreign country so there is much more international diversity than the number of official international students would indicate.
- The Program’s tight structure is problematic for students (1) who fail a course because they must wait a full year before they can attempt the course again; (2) who want to pursue one-term international exchanges as that would delay progress as well; or (3) who want to broaden their thinking and focus beyond accounting and finance. The School is planning, however, to offer some critical courses in more than one term. This will assist those who fail a course, but more importantly will also facilitate course selection and progress through the program for all students. Several courses will be offered in more than one term during the 2014-15 academic year.
- For faculty, the School’s compensation is less than most major business schools for regular tenure stream faculty members.
- The School continues to lack a flagship finance program (e.g., Master in Finance).
- The uncertainty over the planned budget model for the University makes it difficult to predict from year-to-year the resources that will be available to the School.

### Program response to Reviewers’ report

The reviewers comment that “SAF enjoys an enviable reputation for the strength of its professional accounting, and more recently, its business and finance programs ...&...also enjoys an enviable reputation for the research accomplishments of its faculty .” They noted however that “SAF students seem very narrow in their outlooks in that they display little appreciation for international diversity and little interest in other regions of Canada.” In response, the School notes that the learning model includes several courses designed to expand students’ views and competencies beyond accounting and finance. These include two international requirements, the more senior of which is being redesigned. The School has created a learning outcomes committee and will consider how to include measures of students’ sensitivity to international diversity. Furthermore, the degree requirements allow for several electives, although professional accreditation requirements implicitly lead students to restrict their breadth of electives. The School continues to work to enhance the learning model.

The external reviewers also mentioned that both students and some faculty desired a higher level of transparency as it relates to the School’s budget. Because AFM is a “premium priced” program, students also expected to see more tangible benefits of their higher tuition.” The School recognizes that managing these expectations and any accompanying perceptions of fairness is an ongoing task and that they need to be proactive.

The reviewers made 4 specific recommendations to the program. Those recommendations and the School's responses and implementation plans follow. The Director (or delegate) will oversee each of the initiatives.

**Recommendation 1.** Explore opportunities for enhancement of program internationalization – specifically more international students, more international co-op placements, feasibility of academic or other exchange programs.

### **Response**

The School has appointed one of its lecturers as an international champion to promote international opportunities for its students. This will include developing opportunities for exchanges and international co-op jobs, and a suite of recommended international courses that would possibly satisfy the Global Experience Certificate requirements. We hope to have an exchange arrangement in place with the University of Texas at Austin soon. We are working with CECA to increase co-op opportunities abroad. We are considering possible international study tours as well. We will need to be proactive in encouraging students to consider these options.

### **Implementation plan**

1. During 2014-15 work with CECA to build a census of all university students and School students taking international co-op jobs. At a minimum, determine the break down of international and domestic students essentially returning home from those genuinely taking a foreign position; those who find their own positions versus positions developed by CECA; the types and locations of good quality foreign co-op jobs. Build a plan to encourage more students to take at least one co-op term in a foreign position. Have more students taking foreign co-op positions in 2016-17.
2. Develop a select set of partner universities for student exchanges starting with the University of Texas – Austin.
  - a. Have exchanges with Texas in 2015-16.
  - b. Have exchanges with at least one university in Hong Kong and at least one university in China starting in 2016-17.
3. Work within the School and with the University to make the Global Experience Certificate (or something comparable) available and achievable for our students starting in 2015-16.
4. Hold the first Taxation in a Global Economy conference during 2014-15 with the University of Texas.
  - a. Find additional international partners for the Centre for Taxation in a Global Economy for 2015-16.
5. Be available during 2014-15 to work with the University to increase the number of international students, but only if the University agrees that this should be a priority for the School. At present the University does not. During 2014-15 obtain a clear position from the University on this issue.

- a. If the University agrees that it should be, assess how we can structure our support systems so that international students have access to a sufficient number of quality co-op jobs to complete the degree.

**Recommendation 2.** Strengthen the finance side of the AFM program and in the long term revisit the desirability of introducing a Master's program in Finance.

### **Response**

The School is reviewing how best to present finance options to its students given the changes in the accounting profession, which now has a dedicated finance stream. The School thinks that its students with a strong interest in finance will likely want to preserve until well into their degrees the option of pursuing finance and gaining professional accounting certification. We are in the process of undergraduate program changes in finance that will allow students to pursue finance either directly following their undergraduate graduation or as part of a professional accounting education. We are planning a stronger program with more choices, and hopefully better facilities, for all finance students regardless of which path they choose.

The School in collaboration with the Department of Economics is exploring opportunities for a Masters in Finance and Economics. We also think that we could create and offer a PhD program in finance fairly quickly as there would be considerable synergies with the existing accounting PhD. Students from each program would benefit from understanding better the sister discipline. Collaboration with the Faculty of Mathematics is also a possibility. The creation of either or both graduate level programs would allow the expansion and diversification of our finance faculty members.

### **Implementation plan**

1. During 2014-15 bring a proposal for a Masters in Finance and Economics to the University and then to the Government of Ontario. Planned start up would be 2016-17.
2. During 2014-15 have a Committee to review and report on the undergraduate program to develop space within the curriculum to create areas of focus for our students (including areas within finance).
  - a. As part of this during 2014-15 have a sub-committee create a distinct value proposition within finance. This should include distinct sets of courses and extra-curricular activities, plus an enhanced set of co-op employers and positions, with clear links to entry positions in finance and finance career paths. The sub-committee will include the value of integrating accounting and finance.
  - b. Proposals for undergraduate curriculum changes should be ready to go through the normal protocol for winter 2015 if needed. Co-op changes and extra-curricular changes can be implemented when ready.



3. Create a functional finance lab for 2015-16 within current space. Plan a state-of-the-art finance lab for the new Arts building.
4. The PhD committee will review the viability including a financial support model and the demand for a finance PhD, and if positive, a proposal for a finance PhD should be prepared for winter 2015 or fall 2015. Under the current funding model, the Excellence Fund could provide sufficient financial support.
5. Hire a senior finance person for 2015-16 who is a strong researcher and also strong in program development.

**Recommendation 3.** Consider decentralizing the Co-op structure - there was unanimous agreement that the centrally offered for-credit mandatory professional development components of the co-op program lacked value because they were not tailored to co-op placements for students in the SAF.

#### **Response**

The University prefers to maintain a strong central CECA function with programs providing collaborative support. The School has in-house staff that supplements and works collaboratively with CECA. This relationship is strong and we agree with the University position that this relationship should remain largely as is with only gradual evolutionary changes.

With respect to the feedback from students that some professional development elements lack value, the School will review with CECA the possibility that these elements can be improved.

#### **Implementation plan**

1. The University is committed to a central co-op structure and will not entertain a decentralized structure. The School will continue working closely with CECA.
2. On the student dissatisfaction with the work term reporting structure – during 2014-15 we will review with CECA whether changes can be made and recommended changes should be in place for 2015-16.

**Recommendation 4.** Consider tracking final job placement outcomes so as to better understand how the program structure and learning outcomes meet eventual employment needs. It could also assist in identifying trends in student recruitment, areas where additional recruiters would be beneficial, etc.

#### **Response**

The School agrees tracking employment outcomes is essential and is prepared to do significantly more to ensure students have strong placements when they leave the University. A necessary step to this is tracking the diversity of

placement outcomes for our students. The School thinks that this task is one in which responsibility is shared with the University and we look forward to working collaboratively on this issue.

**Implementation plan**

1. During 2014-15 work with the University to establish a system of assisting with final placement, and then tracking students. This task cannot be done at the expense of co-op placements.
  - a. Include a good understanding of the proportion of students who translate their co-op jobs in to their first permanent job.
  - b. Assess whether this proportion depends on their area of interest and whether or not they pursue a CPA.
  - c. Assuming University support, develop a plan to assist better our students in final placement starting in 2015-16.
2. Continue working with our alumni association to track our graduates over their careers. During the next two years, increase the number of alumni for whom we have good career information.