

Final Assessment Report

Accounting (MAcc/PhD)

November 2016

Summary of the Program Review:

In accordance with the University Institutional Quality Assurance Process (IQAP), this final assessment report provides a synthesis of the external evaluation and the internal response and assessments of the programs (MAcc, PhD) delivered by the School of Accounting and Finance. A self-study (Volume I) was submitted to the Associate Provost, Graduate Studies Office on January 21, 2016. The self-study presented the program descriptions and learning outcomes, an analytical assessment of these two programs, and program data including the data collected from a student survey along with the standard data package prepared by the Office of Institutional Analysis & Planning (IAP). Appended were the course outlines for all courses in the program and the CVs (Volume II) for each full-time faculty member in the Department.

Two arm's-length external reviewers (Volume III), (Dr. Janet Morrill, Associate Professor of Accounting and Finance, University of Manitoba and Dr. S.M Khalid Nainar, Professor and Chair of Accounting and Financial Management Services, DeGroot School of Business, McMaster University) were ranked and selected by the Associate Provost, Graduate Studies, in addition one internal reviewer (Dr. Wei-Chau Xie, Civil Engineering) was selected by the Associate Provost, Graduate Studies.

They reviewed the self-study documentation and then conducted a site visit to the University on May 30-31, 2016. The visit included interviews with the Vice-President, Academic & Provost; Associate Provost, Graduate Studies; Dean of Arts; Arts Associate Dean of Graduate Studies, Program Directors, Faculty Members, and meet with a group of current graduate students as well as the University Librarian.

Program characteristics:

MAcc

The MAcc program started in 1985 with 12 students in the first cohort and is now one of the largest Master's programs in Ontario. It combines education toward professional career interests in accounting and finance, whether public practice, industry, or government, with preparation for the Chartered Professional Accountant exam. As this is a professional program, it does not serve as a stepping-stone to the PhD.

PhD

The PhD program admitted its first students in 1988 and has graduated more students than most other programs in Canada. The program's intention is to expose students to a wide range of accounting research and gives them the freedom to find their own areas of research interest and the supervisors best equipped to help them. This produces very well trained academics with a broad range of expertise who have been successful in landing academic positions and fruitful careers.

Summary of strengths, challenges and weaknesses based on self-study:

Overall Strengths

- Top-flight faculty, engaged alumni, an outstanding research environment, and support from professional bodies
- Recognized as one of the best schools in the country in developing and fostering successful graduates

MAcc Strengths

- Allows for students to prepare for the CPA exam while obtaining a “head start” on career specialization or taking advantage of the opportunity to “test the water” in a number of career practice areas
- Wide variety of course offerings taught by a strong core of faculty with vast experience preparing students for professional certification exams (main reason why student undertake the program)
- In each of the seven years under the review, pass rates of MAcc graduates exceeded the Ontario and national pass rates.

PhD Strengths

- Ranked 36th in the world; highest ranked Canadian program
- 92% of graduates hold academic positions at universities and 67% are employed in Canada

MAcc Challenges/Weakness

- Enrollment growth resulted in need for more sections in large exam-preparation courses thus increasing the need for additional faculty to teach these courses. Some new faculty members lack experience in preparing students for professional exams. Efforts may be necessary to better integrate these new instructors into the program's culture. Passing on knowledge from more-experienced core faculty will be necessary
- The Provision of regular, individual formative feedback is required for students to determine their competency levels in the various areas of the professional accounting competency map. The size of the program presents challenges for meaningful feedback to occur.
- Competition from CPA Canada's Professional Education Program which provides students with regular extensive formative feedback throughout the program
- No longer the only school in Ontario with exemption from the CPA certification process; more competition
- Other schools with the exemption are less expensive and could become an attractive choice to students

PhD Weaknesses/Challenges

- Main challenge is centered around the level of minimal guaranteed funding offered to students as several competitors are offering more than the \$25,500 offered by UW and some are offering funding for 5 years and/or are waiving tuition

Summary of key findings from the external reviewers:

The external reviewers, Drs. Morill and Nainar, positively assessed the MAcc and the PhD programs and identified no major problems. The reviewers were very impressed with the willing participation from the faculty, administrators and students which to them indicated "their buy-in and pride in the programs". Additionally, they noted that "program statistics are favorable and many Waterloo alumni are well known and well respected in the Canadian accounting academic circle". However, they did suggest a number of recommendations which they believed would add benefit to the two programs.

Program response to external reviewer recommendations:

Recommendations

1. *Offer five years of funding to PhD students if possible. Alternatively, offer teaching assignments in the fifth year that provide as much time as possible to complete their thesis and go to interviews.*

The PhD Committee will try to make additional funding available to students who require it through teaching opportunities. In the medium term, the Committee will attempt to create formally the same level of funding in the fifth year as the first four years through a commitment to a combination of teaching opportunities or research assistantships in the fifth year.

The PhD Committee may execute this by considering appointing fifth-year PhD students in advanced standing to independently teach on an adjunct basis (prior teaching or TA experience at Waterloo or elsewhere and a successful defense of thesis proposal) by allowing them to teach with full responsibility up to two sections of a three-hour course per week in one academic year - while also providing them with a stipend. Another benefit is the increased employability of these students. The PhD Committee will also consider encouraging faculty members with SSHRCs to employ fifth year PhD students as research assistants.

2. *Consider admitting more international students to PhD program if possible.*

The School is now admitting students with a clear guideline of 6 students per year, four domestic and a maximum of two international. The School is unable to increase the number of admitted international students as the Government of Ontario does not provide funding for international students unlike some other provincial governments. With respect to recruitment, the School will hold PhD program information sessions for MAcc students, Waterloo students from other programs, and to professional accountants in Ontario.

3. *Provide tuition waivers or increase PhD funding if possible to be competitive with other doctoral programs. With respect to resources the Report also advocated for the following items: involve more faculty members in the program, relieve some of the supervisory burden presently on the full professor; and encourage students to widen their choice sets.*

The School is aware that all competing universities in Canada and virtually all PhD programs at US universities provide tuition waivers or scholarships. As a result, the School believes that offering tuition scholarships to incoming students is crucial in order to make the PhD program competitive, and the School intends to implement this upon reviewing resource availability and University regulations.

The PhD Committee appreciates the ideas to encourage tenured associate professors to co-supervise PhD students and would consequently introduce an incentive system for supervisory workloads including implementing teaching load reductions.

- 4. Ensure students in the MAcc program and other cognate disciplines receive information about careers in accounting academia.*

The MAcc Redesign Committee intends to incorporate some accounting research in the new program. Exposure to accounting research will in turn expose students to academically-oriented careers. Additionally, MAcc alumni who went on to a career in academia will be included in Speaker Series. The Committee is also considering introducing an elective research course titled "Overview of Contemporary Accounting Research" in order to expose students to contemporary research issues and to opportunities in research careers. This course would be a distinguishing feature of the program and would differentiate the MAcc from others similar programs.

The MAcc Redesign Committee has been tasked with reviewing changes that should be made to the MAcc program to address changes in the professional education requirements and competencies of CPAs and the increased competition from other universities in preparing students for professional accreditation. See implementation plan below for proposed follow up.

- 5. Continue to evaluate strategic considerations for the MAcc, such as reducing tuition, changing the course structure, and putting in a "soft skills" boot camp in January.*

The MAcc Redesign Committee has been considering incorporating the "soft skills" suggestion into its planned revamp, with the program kicking off with a ten-week foundational term focused on developing students' enabling competencies, including ethics, problem solving, decision making, teamwork, and collaboration. The Committee agrees that producing students who are able to support their technical expertise with strong soft skills will differentiate the MAcc path to the CPA designation from the other options currently available to students. It should also help to

distinguish the graduate from the undergraduate programs. The Committee is considering other course innovations aimed at developing higher-level professional judgment and decision-making.

6. *Consider opening MAcc enrollment to non-University of Waterloo students.*

This recommendation is deferred until the new program is accepted and developed at which time it will be reviewed. At present only students from three of SAF's undergraduate programs can be admitted. This guarantees acceptable common levels of knowledge among MAcc students. It enhances the perceived value of these undergraduate programs as well. The Committee is aware of the benefits and drawbacks. This option will be considered after the curriculum redesign has been completed.

7. *Ensure that MAcc students have access to all services offered by the Graduate Students Association, receive all notifications from the GSA, and are invited to all events.*

Students in the Master of Accounting program currently have access to all services provided to the wider community of graduate students. Graduate students are advised by email when events are running; however, the program will cross-post notifications to the Master of Accounting community site to increase awareness in light of this feedback.

Starting in the 2017 academic year, the program will include short workshops on career and counselling offerings in order to encourage more student to seek out these services and to better support the transition from undergraduate to graduate studies.

8. *Ethics coverage in the MAcc should be systematically monitored to ensure it is sufficient, particularly for students not taking the assurance electives (as other courses may not have as significant and explicit coverage).*

The MAcc Redesign Committee has already incorporated an increased emphasis on ethics into its plan for the new program. This emphasis will be achieved by offering a standalone ethics course in the foundation term and by integrating ethics into many of the core and elective courses elsewhere in the program.

9. *Provide more opportunities for MAcc students to connect with alumni.*

Currently, the School intends to connect MAcc students with young alumni through events like the annual CFE prep session held every March, but they are aware that more opportunities are needed. As a result, the School has begun conversations with the Alumni Affairs Office regarding joint MAcc/young alumni events in the Waterloo area to increase the number of connections between current students and alumni. Starting 2017, the School will launch an MAcc Alumni Speaker Series that will bring alumni in to speak to students about their post-MAcc careers.

Recommendations that were not selected for implementation:

1. *Continue to evaluate strategic considerations for the MAcc, such as reducing tuition, changing the course structure, and putting in a "soft skills" boot camp in January.*

Response

MAcc tuition is comparable to other Graduate Diploma and Masters of Accounting programs in Ontario and is even lower than the undergraduate tuition. While the program is more costly than the CPA PEP program, it offers many benefits not provided by the PEP, including: face-to-face education, more in-depth coverage of key CPA technical competencies, accelerated access to the CFE, a familiar campus environment, and a Master's degree. Given these factors, as well as the place that the current tuition has within the School's and the University's funding model, the School views that a tuition reduction would not be appropriate.

2. *If possible, keep MAcc classes smaller than the undergraduate classes to encourage more interaction and create an environment that looks different than their undergrad experience. We would suggest class sizes from 25-40 students.*

Response

MAcc class sizes are capped at fifty, with many electives having fewer than thirty students. MAcc class sizes are significantly smaller than undergraduate classes. Most upper-year undergraduate core classes have around seventy students. Although average class sizes will vary from year to year with program enrolment, it is expected that MAcc course caps will remain as is. Although this will often result in class sizes below fifty, it is not feasible to lower the caps below this number due to classroom availability constraints and the difficulty of finding faculty qualified to teach in the program.

Implementation Plan:

	Recommendations	Proposed Follow-up	Responsibility for Leading and Resourcing (if applicable) Follow-up	Timeline for addressing Recommendation
1.	(Objectives) Need for a fifth-year funding.	<p>1A: Formalize an opportunity for the fifth-year advanced standing Ph.D. students to independently teach one or two in the fifth year.</p> <p>1B: Formalize the fifth year funding at the same level as prior years, combining independent teaching and RA opportunities.</p> <p>1C: Work with the Faculty of Arts on a fifth year funding model.</p>	Associate Director Research and PhD Director and PhD Committee	<p>Starting September 2017</p> <p>Starting September 2018</p> <p>Starting September 2017</p>
2.	Consider admitting more international students to PhD program if possible.	2A: The SAF is now admitting students with a clear guideline of 6 students per year (4 local and a maximum of 2 international). No change	Associate Director Research and PhD Director and PhD Committee and School Director	Implemented starting the September 2016 admission.

		<p>anticipated unless Ontario Government funding includes international</p> <p>2B: Continue to participate in On-campus Graduate Fairs hosted by the Faculty of Arts and the Graduate school, targeting non-accounting students in related disciplines (Econ., Computer science, Actuarial science), and sensitize Ph.D. in Accounting as an attractive career path.</p> <p>Hold an information session once a year or a need/invitation basis for non-UW students, including international students.</p> <p>Hold the same session for professional accountants in Ontario on a need/invitation basis</p>		<p>Starting September 2016.</p> <p>Starting September 2016</p> <p>Starting September 2016</p>
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3.	<p>Resources Offer Tuition Scholarship Engage more faculty in PhD program</p>	<p>3A: The Associate Director Research working with the PhD Director will review possible revenue sources to create a tuition scholarship. Possibilities include the Excellence Fund or Operating Funds generated by the School.</p> <p>3B: The Associate Director Research working with the Director should encourage Associate Professors to participate in Ph.D. supervision. Implement teaching reduction policy for chief supervisor and co-supervisor, one course for sole supervisor and proportions of one course for one-half course for co-supervisors for each successful PhD graduate.</p>	<p>Associate Director Research and PhD Director and PhD Committee</p>	<p>Begin review process now, with possible implementation for September 2018</p> <p>2017-18 or 2018-19 We need to be confident of sufficient resources under the new funding model.</p>
4	<p>Ensure students in the MAcc program and other cognate disciplines receive</p>	<p>4 The Associate Director Programs and the MAcc Director and the MAcc</p>		<p>2018-19</p>

	information about careers in accounting academia.	redesign team should consider putting in an elective course focused on research in MAcc. This is subject to the MAcc redesign that may stop using normal semester courses. If so research would need to be integrated to the degree possible in the integrated program offerings being considered. The School has not yet passed the new MAcc design that has been proposed.		
5	Continue to evaluate strategic considerations for the MAcc, such as reducing tuition, changing the course structure, and putting in a "soft skills" boot camp in January.	<p>5a: Reducing tuition is not being considered as described in the response.</p> <p>5b: The Macc incorporates significant soft skills within its current structure. The MAcc Redesign Committee is considering putting in a major "soft skills" section at the beginning of the revised integrated program plus other course innovations to enhance judgment and</p>	<p>Associate Director Programs, MAcc Director and School Director</p> <p>Associate Director Programs, MAcc Director and MAcc Redesign Committee</p>	<p>Immediate</p> <p>2019-20</p>

		decision-making. This still requires School approval.		
6	Consider opening MAcc enrollment to non-UWaterloo students.	<p>6a: Plan is to make program improvements first</p> <p>6b: We will then review the possibility of admitting other students. At present the program is predicated on students doing their undergrad degrees in one of three SAF undergrad programs. Until the redesign is complete, we will not consider whether to change this long standing policy.</p>	Associate Director Programs, MAcc Director and School Director	<p>2018-19</p> <p>2019-20</p>
7	Ensure that MAcc students have access to all services offered by the Graduate Students Association, receive all notifications from the GSA, and are invited to all events.	Students in the Master of Accounting program currently have access to all services provided to the wider community of graduate students. Graduate students are advised by email when events are running. We will cross-post notifications to the Master of Accounting community site.	MAcc Director	2017

		We will increase visibility of graduate student-specific Career and Counselling offerings by including short workshops on these services during orientation.		
8	If possible, keep MAcc classes smaller than the undergraduate classes to encourage more interaction and create an environment that looks different than their undergrad experience. We would suggest class sizes from 25-40 students	MAcc class sizes are capped at fifty, with many electives having fewer than thirty students. Although average class sizes will vary from year to year, we expect to maintain MAcc course caps at fifty.	Associate Director Programs, MAcc Director, and School Director	Immediate
9	Ethics coverage in the MAcc should be systematically monitored to ensure it is sufficient	The MAcc Redesign Committee has already incorporated an increased emphasis on ethics into its proposed plan for the new program although at present ethics is covered explicitly in our undergrad programs that must be taken before admission and is integrated into MAcc courses. This emphasis will be achieved by offering a standalone ethics material in the new	Associate Director Programs, MAcc Director and MAcc Redesign Committee	2019-20

		integrated program in the foundation term. The Plan still requires School approval.		
10	Provide more opportunities for MAcc students to connect with alumni	Currently, we connect MAcc students with young alumni through events like our annual CFE prep session held every March. We will try and increase the number of opportunities. We have begun conversations with our Alumni Affairs office about running joint MAcc/young alumni events in the Waterloo area to increase the number of connections our current students have with the alumni community each year. In addition, we plan to launch an MAcc Alumni Speaker Series in 2017 that will bring alumni in to speak to students about their post-MAcc careers. MAcc students coming directly from our undergraduate programs have relationships with	MAcc Director	2017 and ongoing

		alumni during the undergraduate programs.		
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The Department Chair/Director, in consultation with the Dean of the Faculty shall be responsible for monitoring the Implementation Plan.

Date of next program review: _____ **2022** _____
Date

Signatures of Approval:

Chair/Director _____ Date

AFIW Administrative Dean/Head (For AFIW programs only) _____ Date

Faculty Dean _____ Date

Associate Vice-President, Academic _____ Date
(For undergraduate and augmented programs)

Associate Provost, Graduate Studies _____ Date
(For Graduate and augmented programs)