

**Social Sciences and Humanities Research Council of Canada**  
**Quarterly Financial Report**  
**For the Quarter Ended December 31, 2017**

## **Statement Outlining Results, Risks and Significant Changes in Operations, Personnel and Programs**

### **1. Introduction**

This Quarterly Financial Report (QFR) has been prepared by management as required by section 65.1 of the [Financial Administration Act](#) (FAA), and in the form and manner prescribed by the Treasury Board. It should be read in conjunction with the [Estimates](#) for 2017-18. This report has not been subject to an external audit or review.

#### **1.1 Authority, mandate and programs**

The Social Sciences and Humanities Research Council of Canada (SSHRC) was established in 1977 by the *Social Sciences and Humanities Research Council Act*, and is a departmental corporation named in Schedule II of the FAA. SSHRC is a funding agency that promotes and supports postsecondary research and training in the social sciences and humanities to enhance the economic, social and cultural development of Canada, its communities and regions. Social sciences and humanities research builds knowledge about people in the past and present, with a view toward creating a better future.

Further information on the SSHRC mandate and program activities can be found in [Part II of the Main Estimates](#).

#### **1.2 Basis of presentation**

Management prepared this quarterly report using an expenditure basis of accounting. The accompanying Statement of Authorities includes SSHRC's spending authorities granted by Parliament and those used by the agency, consistent with the Main Estimates for fiscal 2017-18. This quarterly report has been prepared using a special-purpose financial reporting framework designed to meet financial information needs with respect to the use of spending authorities.

The authority of Parliament is required before the Government of Canada can spend monies. Approvals are given in the form of annually approved limits through appropriation acts or through legislation in the form of statutory spending authority for specific purposes.

SSHRC uses the full accrual method of accounting to prepare and present its annual financial statements that are part of the departmental performance reporting process. However, the spending authorities voted by Parliament remain on an expenditure basis.

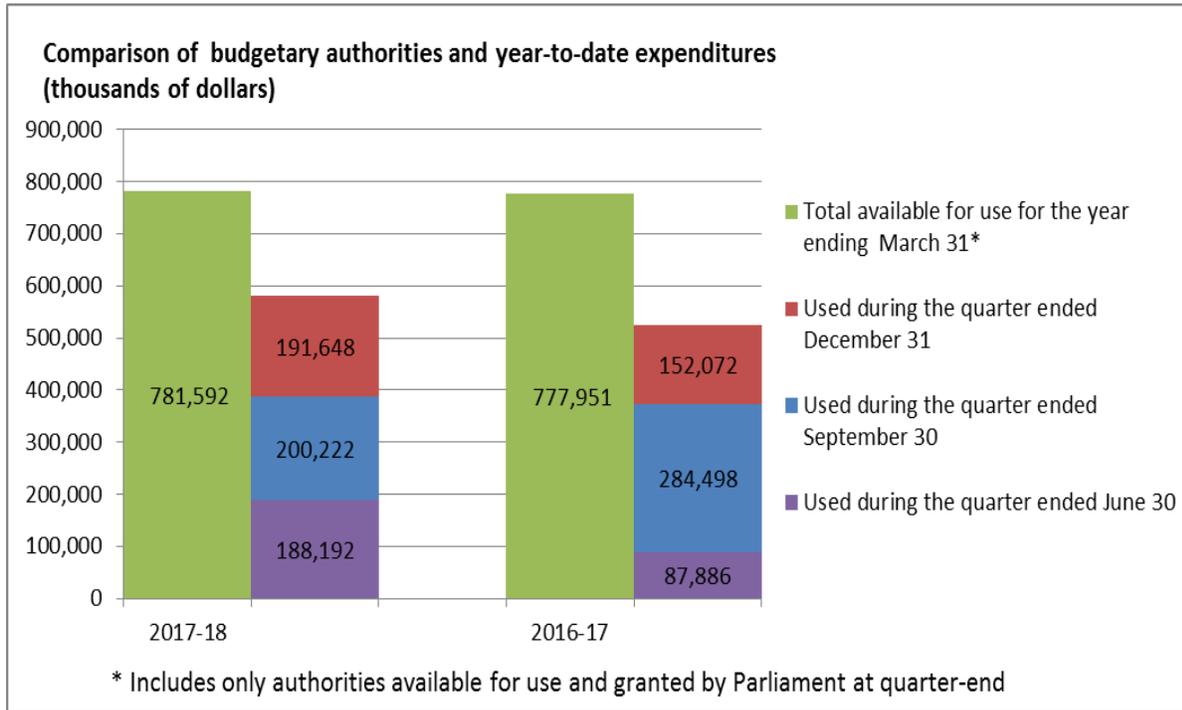
### **2. Highlights of fiscal quarter and fiscal year-to-date results**

This QFR reflects the results of the current fiscal period in relation to the 2017-18 Main Estimates, the [Supplementary Estimates \(A\) and \(B\)](#) and the operating budget carry-forward.

Sections 2.1 and 2.2 below highlight the significant items that contributed to the net increase in resources available from fiscal 2016-17 to fiscal 2017-18 and the actual expenditures as at December 31, 2016, and December 31, 2017.

The following graph provides a comparison of budgetary authorities available for the full fiscal year and budgetary expenditures by quarter for fiscal 2017-18 and fiscal 2016-17.

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## 2.1 Significant changes to budgetary authorities

As of December 31, 2017, SSHRC's total available authorities for fiscal 2017-18 amounted to \$781.6 million. This represents an overall increase of \$3.6 million (0.47 per cent) from the comparative period of the previous year. The major changes in SSHRC's budgetary authorities between the current and previous fiscal years include:

- an increase of \$0.6 million from Budget 2017 for the new Canada 150 Research Chairs Program, which was created to attract international scholars and researchers among the top 5 to 10 per cent in their fields and enhance Canada's reputation as a global centre for innovation, science and research excellence;
- an increase of \$0.4 million in support of the 2018 Centres of Excellence for Commercialization and Research program competition; and
- an increase in net transfers totalling \$2.6 million from other government agencies, such as the Natural Sciences and Engineering Research Council of Canada (NSERC), in support of partnerships between Canadian colleges, universities and local companies.

## 2.2 Significant changes to authorities used

### Year-to-date spending

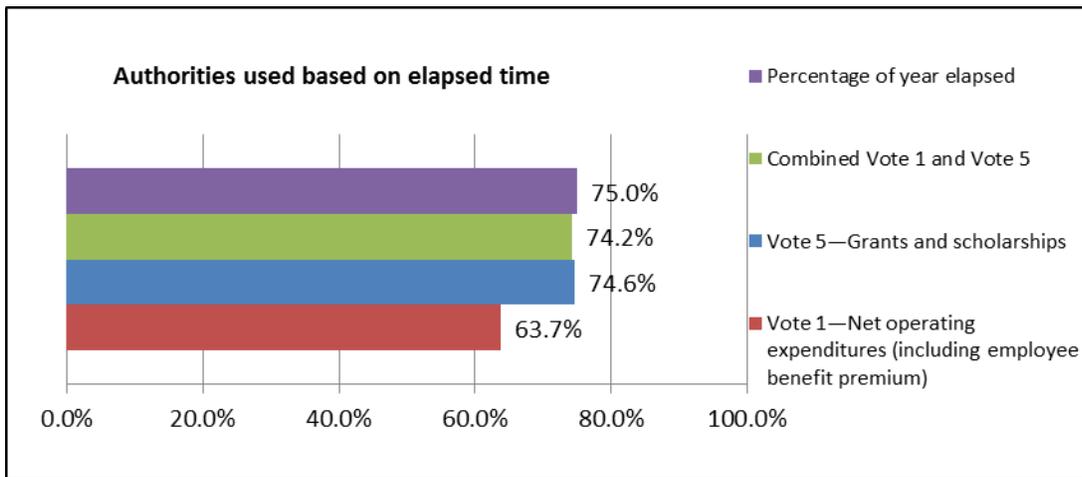
The following table provides a comparison of cumulative spending by vote for the current and previous fiscal years.

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**Year-to-date budgetary expenditures used at quarter end**  
(millions of dollars)

	2017-18	2016-17	Variance
<b>Vote 1—Operating expenditures</b>			
Personnel	16.0	15.8	0.2
Non-personnel	2.9	3.1	(0.2)
<b>Vote 5—Grant and scholarship</b>	561.1	505.6	55.5
<b>Total budgetary expenditures</b>	<b>580.0</b>	<b>524.5</b>	<b>55.5</b>

Total authorities used cumulatively during the first nine months of fiscal 2017-18 represented \$580.0 million (74.2 per cent of the available authorities).



**Grants and scholarships**

At the end of the third quarter of fiscal 2017-18, the grant and scholarship expenses increased by \$55.5 million, compared to what was reported in the previous fiscal year. The increase is mainly due to payments made prior to December 31 in fiscal 2017-18, compared to after December 31 in fiscal 2016-17. This timing variance will be offset by year-end. In addition to the timing differences, funding for the Canada First Research Excellence Fund increased by \$5.5 million this year compared to last year.

**Operating expenditures**

The majority of operating costs are incurred in a consistent manner throughout the fiscal year; however, the balance of expenditures, including for temporary employees hired for the peak competition season and travel costs for peer reviewers, are tied to the program cycle and are demand-driven. As a large proportion of program competitions occur in the last quarter of the fiscal year, the expenditures in each of the first three quarters are typically less than 25 per cent of the annual available operating authorities.

Operating expenditures for the first three quarters of fiscal 2017-18 are in line with the same period of the previous year.

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**Quarterly spending**

The total authorities used during the third quarter of fiscal 2017-18 amounted to \$191.6 million (24.5 per cent of the total available authorities; 24.6 per cent of total authorities for grant and scholarship programs; and 23.39 per cent of total authorities for operating expenditures and employee benefits).

**Budgetary expenditures used during the third quarter**

(millions of dollars)

	<b>2017-18</b>	<b>2016-17</b>	<b>Variance</b>
<b>Vote 1—Operating expenditures</b>			
Personnel	5.8	5.4	0.4
Non-personnel	1.1	1.3	(0.2)
<b>Vote 5—Grants and scholarships</b>	<b>184.7</b>	<b>145.4</b>	<b>39.3</b>
<b>Total budgetary expenditures</b>	<b>191.6</b>	<b>152.1</b>	<b>39.5</b>

**Grants and scholarships**

Transfer payments represent 96.2 per cent of SSHRC's available authorities. Variations occur in transfer payment expenditures between quarters due to the nature of program cycles. During the third quarter of 2017-18, SSHRC's transfer payment expenditures have increased by \$39.3 million compared with the same quarter of the previous fiscal year. There are a number of differences in specific programs from year-to-year, including:

- Research Support Fund (\$34.6 million increase);
- Canada Research Chairs Program (\$3.4 million increase);
- Research Development Grants (\$1.3 million increase);
- and small offsetting variations in other programs, such as the Canadian Initiative on Social Statistics, Centres of Excellence on Commercialization and Research, Networks of Centres of Excellence, Banting Postdoctoral Fellowships, Canada Graduate Scholarships, Aid to Small Universities, SSHRC Institutional Grants and Canada Excellence Research Chairs.

**Operating expenditures**

The operating expenditures are in line with those of the third quarter of the prior fiscal year.

**3. Risks and uncertainties**

Through the corporate risk identification exercise, SSHRC annually identifies and assesses corporate level risks. Senior management is closely following the risks listed below to ensure they are continuously mitigated and that the residual risk level is acceptable.

**1- Ability to manage stakeholder relations:**

The organization might not effectively manage the expectations of diverse stakeholder groups.

To ensure effective stakeholder engagement and to mitigate the risk of misalignment with stakeholders' priorities and values, a group of institution representatives, SSHRC Leaders, was

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created. SSHRC Leaders provide an ongoing channel of communication between their institutions and SSHRC, helping all parties stay informed of developing issues.

**2- Ability to manage change through information technology:**

SSHRC's suite of legacy systems may be unable to support existing and new programs.

An assessment of the state of SSHRC's legacy systems was completed in December 2016. The necessary technical resources to support the legacy infrastructure and applications are in place. SSHRC has updated its business processes to better support its legacy IT systems.

**3- Ability to respond to pressures from external influences in a timely manner:**

SSHRC make use of its corporate governance structures and relies on key planning documents, such as its strategic plan, to ensure strong governance for and oversight of SSHRC's planning and achievement of results.

**4. Significant changes related to operations, personnel and programs**

As in previous years, a number of changes relate to operations, personnel and programs. [Budget 2017](#) included \$117.6 million over eight years for approximately 25 Canada 150 Research Chairs. The program is delivered through SSHRC's Tri-agency Institutional Programs Secretariat, in collaboration with, and on behalf of, the three federal research funding agencies—SSHRC, NSERC, and the Canadian Institutes of Health Research (the agencies).

In October 2017, Ministers Kirsty Duncan and Ginette Petitpas Taylor announced the creation of the Canada Research Coordinating Committee (CRCC). The committee was created to improve the coordination efforts of the agencies and the Canada Foundation for Innovation (CFI). The CRCC is mandated to achieve greater harmonization, integration and coordination of research-related programs and policies and to address issues of common concern to the agencies and the CFI.

SSHRC continues to review, in collaboration with its stakeholders, key recommendations emerging from Canada's Fundamental Science Review.

Approved by:

Original signed by

**Ted Hewitt, PhD**  
**President, SSHRC**

**Ottawa, Canada**  
**February 28, 2018**

Original signed by

**Patricia Sauvé-McCuan**  
**Vice-President and Chief**  
**Financial Officer, SSHRC**

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**5. Statement of authorities (unaudited)**

	Fiscal year 2017-18			Fiscal year 2016-17		
	Total available for use for the year ending March 31, 2018*	Used during the quarter ended December 31, 2017	Year-to-date used at quarter- end	Total available for use for the year ending March 31, 2017*	Used during the quarter ended December 31, 2016	Year-to-date used at quarter-end
<i>(in thousands of dollars)</i>						
Vote 1—Net Operating Expenditures	27,061	6,311	17,011	26,341	5,953	16,843
Vote 5—Grants and Scholarships	751,780	184,696	561,128	748,646	145,433	505,568
Budgetary Statutory Authorities						
Contributions to the employee benefit plan	2,656	641	1,924	2,869	679	2,037
Spending of revenues pursuant to subsection 4 (2) of the <i>Social Sciences and Humanities     Research Council Act</i>	95	-	-	95	7	7
<b>Total Budgetary Authorities</b>	<b>781,592</b>	<b>191,648</b>	<b>580,063</b>	<b>777,951</b>	<b>152,072</b>	<b>524,455</b>

\* Includes only authorities available for use and granted by Parliament at quarter-end.

**6. Departmental budgetary expenditures by standard object (unaudited)**

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*(in thousands of dollars)*

	Fiscal year 2017-18			Fiscal year 2016-17		
	Planned expenditures for the year ending March 31, 2018	Expended during the quarter ended December 31, 2017	Year-to-date used at quarter-end	Planned expenditures for the year ending March 31, 2017	Expended during the quarter ended December 31, 2016	Year-to-date used at quarter-end
<b><u>Expenditures</u></b>						
Personnel	20,318	5,781	15,999	19,470	5,364	15,792
Transportation and communications	1,838	278	570	1,562	184	543
Information	1,485	179	406	1,368	250	489
Professional and special services	3,609	544	1,407	4,537	714	1,559
Rentals	751	67	330	1,473	75	365
Repair and maintenance	141	22	50	109	32	58
Utilities, materials and supplies	106	32	58	125	6	40
Acquisition of machinery and equipment	1,564	24	91	661	14	41
Other subsidies and payments	-	25	24	-	-	-
Transfer payments	751,780	184,696	561,128	748,646	145,433	505,568
<b>Total Budgetary Expenditures</b>	<b>781,592</b>	<b>191,648</b>	<b>580,063</b>	<b>777,951</b>	<b>152,072</b>	<b>524,455</b>