

Social Sciences and Humanities Research Council of Canada
Quarterly Financial Report
For the Quarter Ended September 30, 2019

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 2019-20 [Main Estimates](#). 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 2019-20. 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.

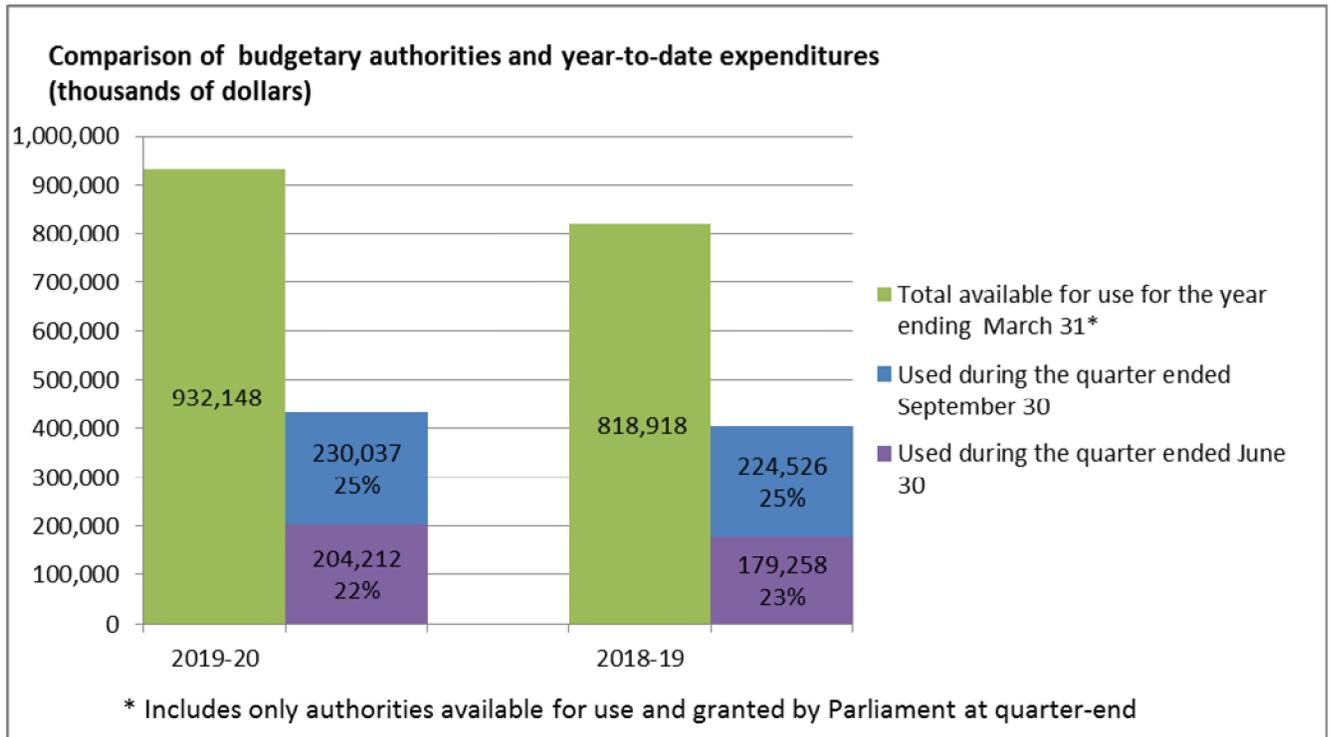
SSHRC uses the full accrual method of accounting to prepare and present its annual financial statements that are part of the departmental results reporting process. However, the spending authorities voted by Parliament remain on an expenditure basis.

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

This section highlights the significant items that contributed to the change in resources available for the fiscal year, as well as the actual year-to-date and quarterly expenditures compared with the previous fiscal year.

The following graph provides a comparison of budgetary authorities available for the full fiscal year and budgetary expenditures by quarter for fiscal 2019-20 and fiscal 2018-19.

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2.1 Significant changes to budgetary authorities

As of September 30, 2019, SSHRC's total available authorities for fiscal 2019-20 amounted to \$932.1 million. This represents an overall increase of \$113.2 million (13.8 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 \$57.2 million from Budget 2018 for the implementation of the New Frontiers in Research Fund, supporting research that is international, interdisciplinary, high risk and fast-breaking;
- an increase of \$38.7 million from Budget 2018 to the Research Support Fund that provides researchers with the necessary space at postsecondary institutions to undertake research, and to improve accountability and reporting for the program;
- an increase of \$9.0 million from Budget 2018 to support investigator-led research in the social sciences and humanities;
- an increase of \$8.9 million from Budget 2018 to the Canada Research Chairs Program, which supports a diverse community of excellent researchers across all career stages at eligible Canadian postsecondary institutions, and to better support early career researchers;
- an increase of \$6.1 million from Budget 2019 to create more awards for graduate students through the Canada Graduate Scholarships program;
- an increase of \$1.4 million from Budget 2019 to expand paid parental leave from six months to 12 months for students and postdoctoral researchers who receive granting agency funding;
- a decrease of \$3.7 million for Indigenous Data & Research Capacity;
- a decrease of \$1.9 million to the Centres of Excellence for Commercialization and Research program;
- a decrease of \$1.2 million for the Canada 150 Research Chairs; and
- a decrease of \$1.0 million for the collective bargaining reprofile.

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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.

Year-to-date budgetary expenditures used at quarter-end

(millions of dollars)

	2019-20	2018-19	Variance
Vote 1 - Operating expenditures			
Personnel	13.9	13.1	0.8
Non-personnel	3.0	1.6	1.4
Vote 5 - Grants and scholarships	417.4	389.1	28.3
Total budgetary expenditures	434.3	403.8	30.5

Total budgetary expenditures amounted to \$434.3 million at the end of the second quarter of fiscal 2019-20, compared to \$403.8 million reported in the same period in the previous fiscal year.

Grants and scholarships

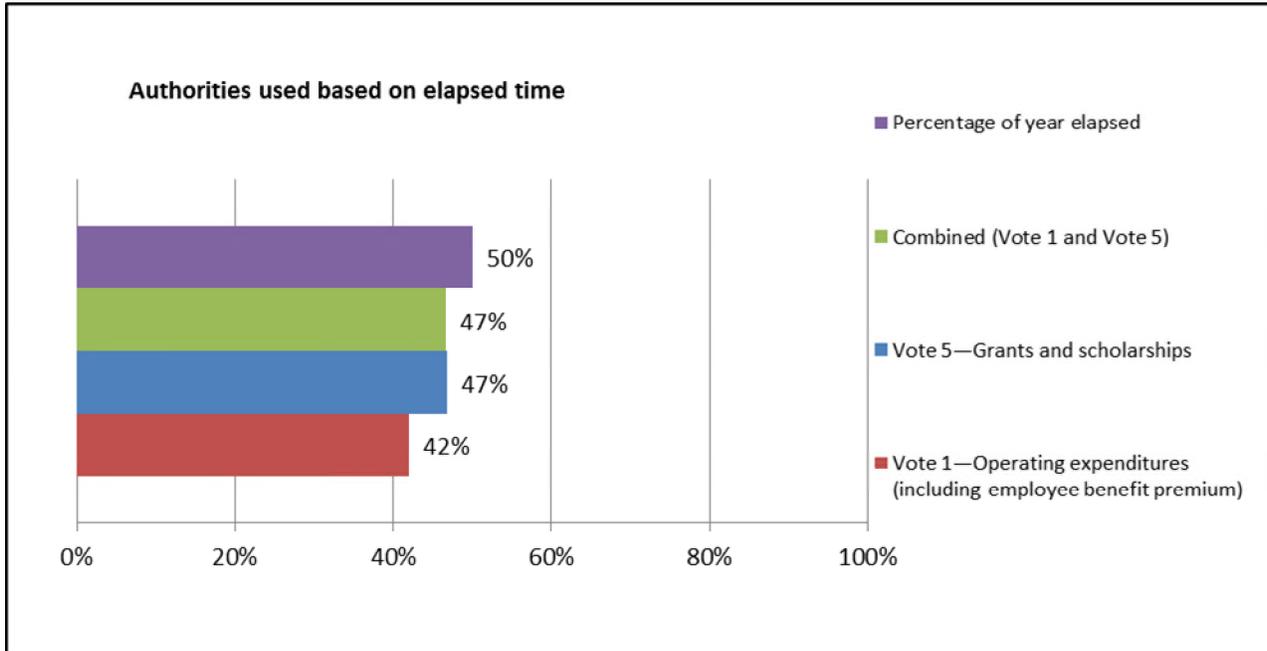
At the end of the second quarter of 2019-20, the grant and scholarship expenses increased by \$28.3 million, compared to what was reported in the same period of the previous fiscal year. The increase is mainly due to additional funding received from Budget 2018.

Operating expenditures

The personnel expenditures have increased by \$0.8 million compared to the same period in 2018-19. This increase is mainly due to the economic increase resulting from the renewed collective agreements approved during the second quarter of fiscal 2018-19 and additional full-time employees (FTEs) due to Budget 2018 implementation.

Total non-personnel expenditures have increased by \$1.4 million, mainly due to increased spending in professional services and the acquisition of office equipment, computers and mobile phones related to the increased number of employees.

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Total authorities used during the second quarter of fiscal 2019-20 (\$230.0 million) represent 25 per cent of total available authorities (\$932.1 million).

Quarterly spending

The total authorities used during the second quarter of 2019-20 amounted to \$230.0 million (24.7 per cent of the total available authorities; 24.8 per cent of total authorities for grant and scholarship programs; and 21.7 per cent of total authorities for operating expenditures and employee benefits).

Budgetary expenditures used during the second quarter

(millions of dollars)

	2019-20	2018-19	Variance
Vote 1 - Operating expenditures			
Personnel	6.8	7.5	(0.7)
Non-personnel	1.9	0.8	1.1
Vote 5 - Grants and scholarships	221.3	216.2	5.1
Total budgetary expenditures	230.0	224.5	5.5

Grants and scholarships

Transfer payments represent 96 per cent of SSHRC's available authorities. Variations occur in transfer payment expenditures between quarters due to the nature of program cycles. During the second quarter of 2019-20, SSHRC's transfer payment expenditures have increased by \$5.1 million compared with the same quarter of the previous fiscal year. The increase in expenditures is in proportion with the increase in budget for 2019-20 in comparison to 2018-19.

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Operating expenditures

The personnel expenditures have decreased by \$0.7 million compared to the same period in 2018-19, mainly due to the payment of retroactive salary approved during the second quarter of fiscal 2018-19.

The non-personnel expenditures have increased by \$1.1 million, mainly due to increased spending in professional services and the acquisition of office equipment, computers and mobile phones related to the increased number of employees.

3. Risks and uncertainties

Through the corporate risk identification exercise, SSHRC annually identifies and assesses corporate-level risks and develops response measures to minimize their likelihood and/or impact. Senior management closely follows the risks below to ensure they are continuously mitigated and that the residual risk level is acceptable.

Strategic risk 1—Ability to manage resources

SSHRC's ability to deliver results is influenced by internal and external elements and opportunities, such as the grants management system development, the integration of and support to the [Canada Research Coordinating Committee](#) (CRCC) and the Strengthening Indigenous Research Capacity Strategy. SSHRC uses its corporate governance structures and relies on key planning documents, such as the strategic plan and the Departmental Results Framework, to ensure strong oversight of SSHRC's achievement of results. The substantial increase in SSHRC grants dollars announced in Budget 2018 creates an opportunity to demonstrate how SSHRC can efficiently deliver on crucial and fundamental themes for the benefit of a strong research ecosystem.

Strategic risk 2—Ability to manage change

Planned activities in support of SSHRC objectives are vulnerable to the management of change. SSHRC has a number of key activities for 2019-20, which involve new technologies, evolving interagency governance structures, new collaborations and partnerships, new program directions and new government priorities. To ensure successful completion and minimize unintended impacts on other projects and on operations, SSHRC continues to implement mandatory training, the People Strategy, the Performance Management Program, and other strategies to help ensure the appropriate development of employees in a changing work environment. In addition, SSHRC includes a change management component in most major projects.

Strategic Risk 3—Ability to meet external stakeholder expectations

Management of stakeholder relations is a critical driver of SSHRC's success. To ensure effective management of diverse stakeholder relationships, SSHRC created the SSHRC Leaders, a group of institutional representatives. SSHRC Leaders provide an ongoing channel of communication between their institutions and SSHRC. The initiative helps all parties stay informed of developing issues and mitigates the risk of misalignment with stakeholders' priorities and values.

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The CRCC brings together heads of the three federal research granting agencies—SSHRC, the Natural Sciences and Engineering Research Council (NSERC) and the Canadian Institutes of Health Research (CIHR)—and the Canada Foundation for Innovation (CFI), as well as the National Research Council; Innovation, Science and Economic Development Canada; Health Canada; and Canada’s chief science advisor. The committee builds on a tradition of cooperation between the three agencies and CFI. It has brought new visibility, resources and opportunities to meet the needs of Canadian researchers. The CRCC has recently presented their inaugural progress report, showing progress on national priorities such as:

- the launch of the New Frontiers in Research Fund;
- engagement with Indigenous communities; and
- the implementation of policies and programs to support early career researchers and make equity, diversity and inclusion hallmarks of research excellence in Canada.

Read more about SSHRC’s key strategic risks for the current year in the [2019-20 Departmental Plan](#).

4. Significant changes related to operations, personnel and programs

Following the announcement in Budget 2019, SSHRC, in collaboration with CIHR and NSERC, announced in June 2019 that the duration of paid parental leave for graduate students and postdoctoral researchers supported by the agencies would be doubled. The maximum duration will be 12 months instead of six for those on active paid parental leave on April 1, 2019, or later, including those that began their leave before this date. The change applies to holders of a graduate scholarship or postdoctoral fellowship from the granting agencies, as well as to students and postdoctoral researchers who are paid from a supervisor’s agency grant.

Approved by:

Original signed by:

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President

Original signed by:

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

Ottawa, Canada
November 29, 2019

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5. Statement of authorities (unaudited)

	Fiscal year 2019-20			Fiscal year 2018-19		
	Total available for use for the year ending March 31, 2020*	Used during the quarter ended September 30, 2019	Year-to-date used at quarter- end	Total available for use for the year ending March 31, 2019*	Used during the quarter ended September 30, 2018	Year-to-date used at quarter-end
<i>(in thousands of dollars)</i>						
Vote 1—Operating Expenditures	36,500	7,805	15,016	30,072	7,581	13,245
Vote 5—Grants and Scholarships	891,785	221,296	417,361	785,708	216,211	389,072
Budgetary Statutory Authorities						
Contributions to the employee benefit plan	3,768	936	1,872	3,043	734	1,467
Spending of revenues pursuant to subsection 4 (2) of the <i>Social Sciences and Humanities Research Council Act</i>	95	-	-	95	-	-
Total Budgetary Authorities	932,148	230,037	434,249	818,918	224,526	403,784

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

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6. Departmental budgetary expenditures by standard object (unaudited)

(in thousands of dollars)

	Fiscal year 2019-20			Fiscal year 2018-19		
	Planned expenditures for the year ending March 31, 2020	Expended during the quarter ended September 30, 2019	Year-to-date used at quarter-end	Planned expenditures for the year ending March 31, 2019	Expended during the quarter ended September 30, 2018	Year-to-date used at quarter-end
Expenditures						
Personnel	28,696	6,829	13,892	23,986	7,542	13,130
Transportation and communications	1,945	263	408	1,647	131	345
Information	1,588	92	158	1,466	112	227
Professional and special services	6,149	955	1,507	4,414	438	692
Rentals	868	120	365	935	63	243
Repair and maintenance	152	29	45	92	20	21
Utilities, materials and supplies	105	1	32	91	1	33
Acquisition of machinery and equipment	814	452	478	545	8	21
Other subsidies and payments	46	-	3	34	-	-
Transfer payments	891,785	221,296	417,361	785,708	216,211	389,072
Total Budgetary Expenditures	932,148	230,037	434,249	818,918	224,526	403,784