

Social Sciences and Humanities Research Council of Canada
Quarterly Financial Report
For the Quarter Ended December 31, 2020

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 2020-21 [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 year 2020-21. 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.

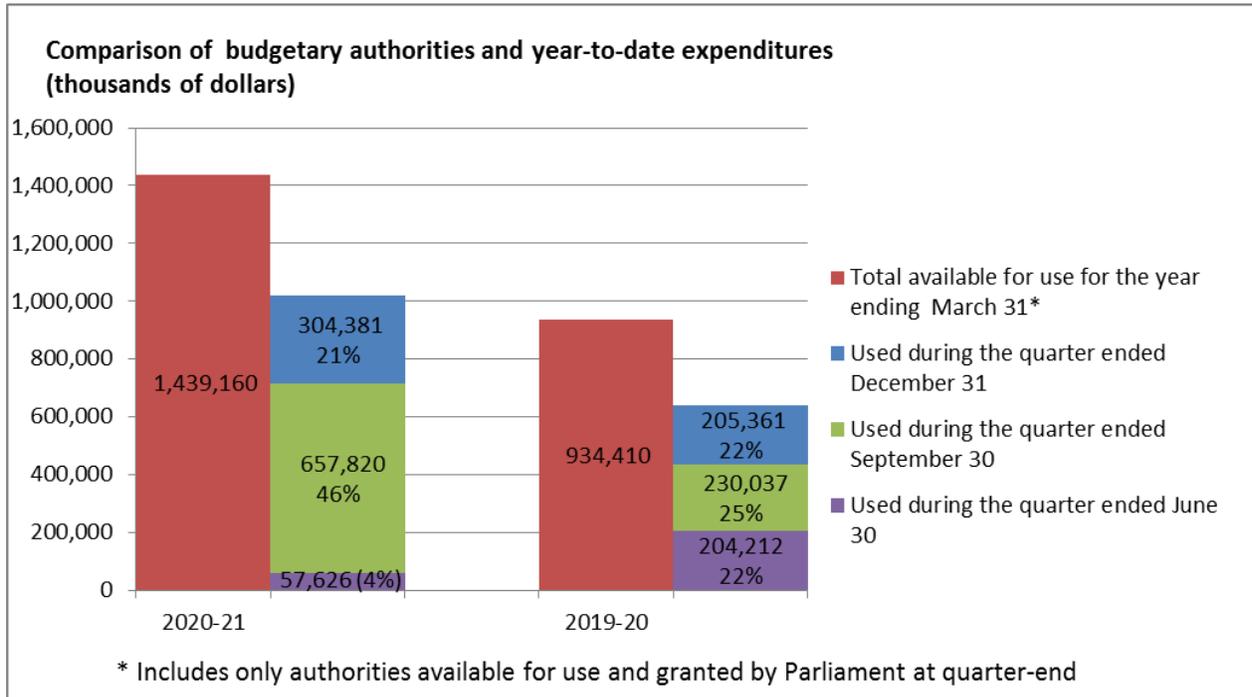
SSHRC uses the full accrual method of accounting to prepare and present its annual financial statements that are part of the departmental results reporting process. However, the spending authorities voted by Parliament remain on an expenditure basis.

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 year 2020-21 and fiscal year 2019-20.

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2.1 Significant changes to budgetary authorities

As of December 31, 2020, SSHRC's total available authorities for fiscal year 2020-21 amounted to \$1.44 billion. This represents an overall increase of \$504.7 million (54.0%) 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 \$357.2 million from the Public Health Events of National Concern Payments Act (PHENCPA) to support students and youth impacted by COVID-19 (\$32.2 million) and to support research institutes and universities (\$325.0 million);
- an increase of \$125.0 million for the Canada Research Continuity Emergency Fund for the balance of payments to institutes and universities in regard to COVID-19 that could not be paid before December 31 when the PHENCPA fund expired for this program;
- a decrease of \$24.0 million for the reprofile of the Tri-Agency Fund to 2026-27;
- an increase of \$15.8 million from Budget 2018 to implement the New Frontiers in Research Fund, a tri-agency program supporting research that is international, interdisciplinary, high risk, and fast-breaking;
- an increase of \$7.5 million from Budget 2018 for the Research Support Fund, which supports researchers with the costs associated with managing the necessary space at postsecondary institutions to undertake research;
- an increase of \$7.0 million from Budget 2018 to support investigator-led discovery research in the social sciences and humanities;
- an increase of \$6.5 million from Budget 2018 for the Canada Research Chairs Program, which supports a diverse community of excellent researchers across all career stages at eligible Canadian postsecondary institutions, to better support early career researchers;

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- an increase of \$4.5 million to support innovation through partnerships between Canadian colleges, universities and local companies;
- an increase of \$2.4 million to create more awards for graduate students through the Canada Graduate Scholarships program and to expand the paid parental leave coverage; and
- an increase of \$2.1 million for the Canada Excellence Research Chairs Program, which supports Canadian universities in their efforts to position Canada at the leading-edge of breakthroughs in priority research areas expected to generate economic and social benefits to Canadians.

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)

	2020-21	2019-20	Variance
Vote 1 - Operating expenditures			
Personnel	23.0	21.3	1.7
Non-personnel	4.0	4.6	(0.6)
Vote 5 - Grants and scholarships	992.8	613.7	379.1
Total budgetary expenditures	1,019.8	639.6	380.2

Total budgetary expenditures amounted to \$1.02 billion at the end of the third quarter of fiscal year 2020-21, compared to \$639.6 million reported in the same period in the previous fiscal year.

Grants and scholarships

At the end of the third quarter of fiscal year 2020-21, the grant and scholarship expenses increased by \$379.1 million, compared to what was reported in the same period of the previous fiscal year. The increase is mainly due to:

- spending of \$357.2 million received from the Public Health Events of National Concern Payments Act to support students and youth impacted by COVID-19 and to support research institutes and universities;
- an investment of \$4.2 million in other payments linked to COVID-19; and
- an investment of \$2.6 million in joint initiatives.

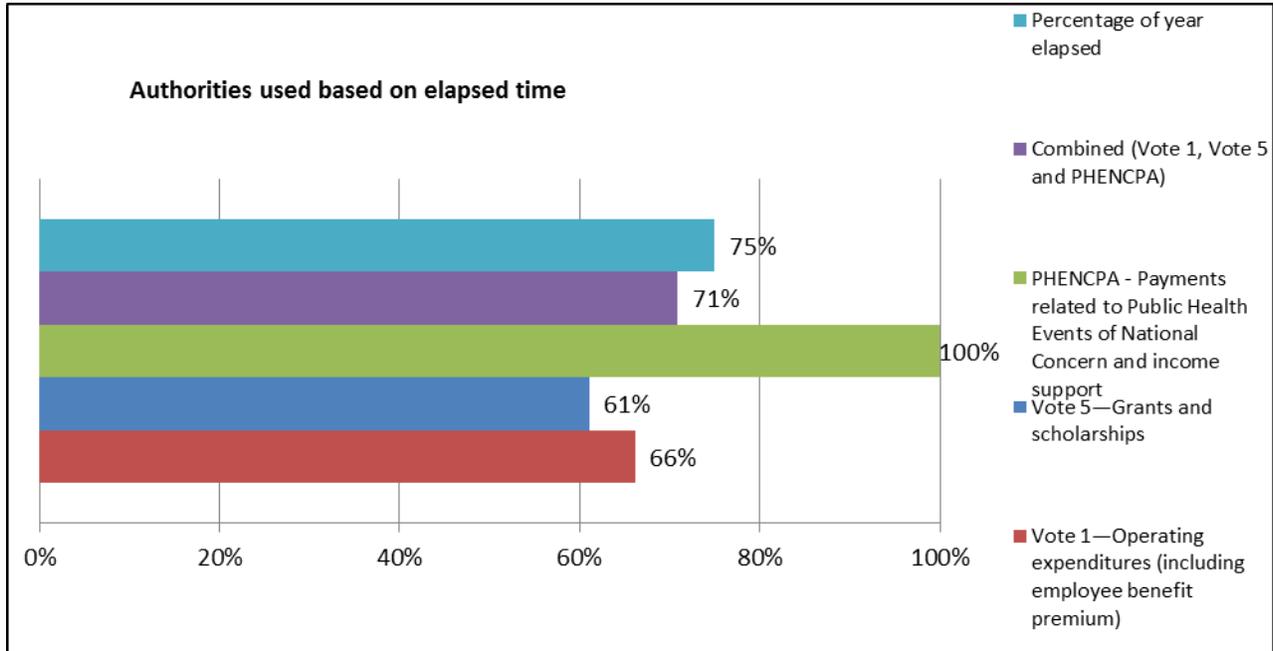
Operating expenditures

Personnel expenditures have increased by \$1.7 million compared to the same period of the previous year. This increase is mainly due to program delivery costs related to the Public Health Events of National Concern Payments Act.

The non-personnel expenditures have decreased by \$0.6 million, mainly in transportation costs. Transportation costs have significantly decreased due to travel restrictions imposed by COVID-19-related circumstances affecting the amount of travel for both public servants and non-public servants partially

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offset by an increase in information costs due to the continued development of SSHRC’s governance charter and corporate communications strategy.



Total authorities used at the end of the third quarter of fiscal 2020-21 (\$1.02 billion) represent 71% of total available authorities (\$1.44 billion).

Quarterly spending

The total authorities used during the third quarter of 2020-21 amounted to \$304.4 million (21.1% of the total available authorities; 20.2% of total authorities for grant and scholarship programs; 24.6% of total authorities for operating expenditures and employee benefits; and 23.7% of total authorities for PHENCPA).

Budgetary expenditures used during the third quarter

(millions of dollars)

Vote 1 - Operating expenditures

Personnel

8.1 7.4 0.7

Non-personnel

1.8 1.6 0.2

Vote 5 - Grant and scholarship

294.5 196.4 98.1

Total budgetary expenditures

304.4 205.4 99.0

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Grants and scholarships

Transfer payments represent 97% 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 2020-21, SSHRC's transfer payment expenditures have increased by \$98.1 million compared with the same quarter of the previous fiscal year. The increase is mainly due to spending of \$84.6 million received from the Public Health Events of National Concern Payments Act to support research institutes and universities, an investment of \$4.2 million in payments linked to COVID-19, and an investment of \$2.6 million in joint initiatives.

Operating expenditures

Personnel expenditures have increased by \$0.7 million compared to the same period of the previous year. This increase is mainly due to program delivery costs related to the Public Health Events of National Concern Payments Act.

Non-personnel expenditures have increased by \$0.2 million, mainly due to an increase in systems related purchases as a result of SSHRC's continuous efforts to upgrade its technology and tools to enable its workforce to work remotely. This increase was mostly offset by COVID-19-related circumstances significantly reducing spending on transportation and professional services.

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. This monitoring will include assessments of SSHRC's operating environment given the ongoing impacts of the COVID-19 pandemic.

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 and emerging government priorities and policies. To ensure strong oversight of SSHRC's achievement of results, SSHRC relies on key planning documents, such as its strategic plan and Departmental Results Framework, and its corporate governance structure.

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 fiscal 2020-21, which involve new technologies, organizational growth, new collaborations and new program directions. 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 major projects.

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Strategic risk 3—Ability to manage reputation

Management of SSHRC's reputation is a critical driver of SSHRC's success. To ensure that challenges to SSHRC's reputation caused by implementing transformative changes in its operations are effectively managed, SSHRC engages frequently with stakeholders and partners. It also collaborates closely with other federal research funding agencies to establish and maintain effective relationships and enable information sharing.

Strategic risk 4—Legacy technology

SSHRC's ability to execute its objectives depends on the legacy information management and information technologies' ability to support operations required for new programs and changes to existing programs. SSHRC will consult with internal and external technical subject matter experts to identify at-risk areas and to create an operational plan for legacy maintenance support. This will include a risk mitigation strategy that is appropriately prioritized and resourced, which will allow for appropriate support.

Strategic risk 5—Ability to continue business

The ongoing and uncertain impact of the COVID-19 pandemic could disrupt SSHRC's ability to ensure continuity of all business operations during the pandemic and subsequent recovery period. By introducing flexibility in program delivery, and with the ongoing monitoring and adjustments of funding application deadlines and adjudication timelines, SSHRC will ensure operational continuity and manage its engagements and reputation with stakeholders.

Read more about SSHRC's key risks for the current fiscal year in the [2020-21 Departmental Plan](#).

4. Significant changes related to operations, personnel and programs

The agencies recognize the vital role that highly qualified personnel play in the research enterprise and the need to sustain the talent pipeline during the major disruptions caused by the COVID-19 pandemic. Therefore, to lessen the impact of COVID-19 on students, trainees and research support personnel funded through research grants, the agencies are providing additional funding to eligible grant, scholarships and fellowships recipients.

Approved by:

Original signed by:

Ted Hewitt, PhD
President, SSHRC

Original signed by:

Patricia Sauvé-McCuan
Vice-President and Chief
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Ottawa, Canada
March 1, 2021

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5. Statement of authorities (unaudited)

	Fiscal year 2020-21			Fiscal year 2019-20		
	Total available for use for the year ending March 31, 2021*	Used during the quarter ended December 31, 2020	Year-to-date used at quarter- end	Total available for use for the year ending March 31, 2020*	Used during the quarter ended December 31, 2019	Year-to-date used at quarter-end
<i>(in thousands of dollars)</i>						
Vote 1—Operating Expenditures	36,511	8,959	23,864	37,125	8,054	23,070
Vote 5—Grants and Scholarships	1,041,608	209,934	636,166	893,347	196,371	613,732
Budgetary Statutory Authorities						
Contributions to the employee benefit plan	3,735	934	2,745	3,843	936	2,808
Spending of revenues pursuant to subsection 4 (2) of the <i>Social Sciences and Humanities Research Council Act</i>	95	-	-	95	-	-
Payments related to Public Health Events of National Concern and income support	357,211	84,554	357,052	-	-	-
Total Budgetary Authorities	1,439,160	304,381	1,019,827	934,410	205,361	639,610

* 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 2020-21			Fiscal year 2019-20		
	Planned expenditures for the year ending March 31, 2021	Expended during the quarter ended December 31, 2020	Year-to-date used at quarter-end	Planned expenditures for the year ending March 31, 2020	Expended during the quarter ended December 31, 2019	Year-to-date used at quarter-end
Expenditures						
Personnel	29,443	8,072	22,956	29,146	7,360	21,252
Transportation and communications	1,753	44	100	1,945	285	693
Information	1,390	193	392	1,588	95	253
Professional and special services	5,878	991	2,523	6,398	1,038	2,545
Rentals	668	179	539	868	193	557
Repair and maintenance	75	27	40	152	11	56
Utilities, materials and supplies	73	15	31	105	5	37
Acquisition of land, buildings and works	169	-	-	-	-	-
Acquisition of machinery and equipment	1,236	373	420	814	3	482
Other subsidies and payments	46	(1)	(2)	47	-	3
Transfer payments	1,398,429	294,488	992,828	893,347	196,371	613,732
Total Budgetary Expenditures	1,439,160	304,381	1,019,827	934,410	205,361	639,610