

Social Sciences and Humanities Research Council of Canada

Quarterly Financial Report

for the Quarter Ended December 31, 2022



Social Sciences and Humanities
Research Council of Canada

Conseil de recherches en
sciences humaines du Canada

Canada

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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 2022-23 [Main Estimates](#), [Supplementary Estimates \(A\)](#) and [Supplementary Estimates \(B\)](#). 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, Supplementary Estimates (A) and Supplementary Estimates (B) for fiscal 2022-23. 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.

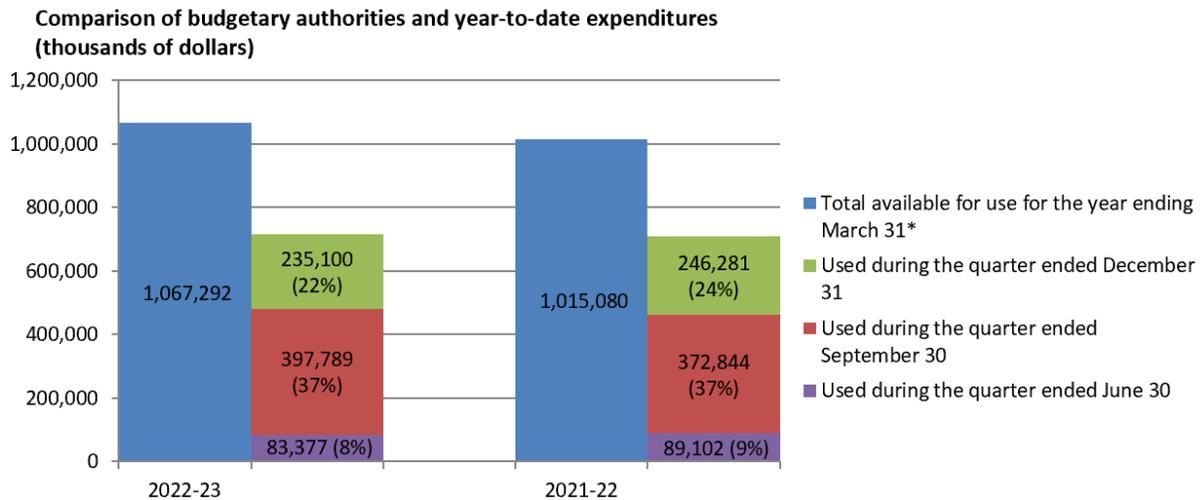
SSHRC uses the full accrual method of accounting to prepare and present its annual financial statements that are part of the departmental results reporting process. However, the spending authorities voted by Parliament remain on an expenditure basis.

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 expenditures compared with the previous fiscal year.

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The following graph provides a comparison of budgetary authorities available for the full fiscal year and budgetary expenditures by quarter for fiscal 2022-23 and fiscal 2021-22.



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

2.1 Significant changes to budgetary authorities

As of December 31, 2022, SSHRC's total available authorities for fiscal 2022-23 amounted to \$1.067 billion. This represents an overall increase of \$52.2 million (5.1%) 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 \$35.0 million for the New Frontiers in Research Fund from Budget 2018, supporting research that is international, interdisciplinary, high risk and fast breaking;
- an increase of \$25.6 million from Budget 2022 to support Research Security and the Research Support Fund;
- a decrease of \$5.4 million for the adjusted distribution of the Canada Graduate Scholarships between the three federal research funding agencies;
- a decrease of \$4.8 million related to the gradual transfer of the Networks of Centres of Excellence program to the New Frontiers in Research Fund, as per the Budget 2018 announcement;
- an increase of \$2.3 million from delays in government transfers through the supplementary estimates in 2021-22, compared to 2022-23, due to the 2021 fall elections;
- a decrease of \$1.9 million for the College and Community Innovation program, for which renewal will be sought;

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- an increase of \$1.8 million in additional funding received in 2022-23 to pay for retroactive salary increases following the ratification of the collective agreement in 2021-22;
- a decrease of \$1.6 million related to the gradual transfer of the Business-Led Networks of Centres of Excellence and the Centres of Excellence for Commercialization and Research programs to ISED under the Strategic Innovation Fund, as per the Budget 2018 announcement;
- a decrease of \$1.5 million for the Canada First Research Excellence Fund for which renewal will be sought;
- an increase of \$1.4 million from Budget 2022 for Black students and postdoctoral fellows; and
- an increase of \$1.3 million from Budget 2021 for the Race, Gender and Diversity Partnership, to fund academic research into systemic barriers faced by diverse groups across Canada.

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)	2022-23	2021-22	Variance
Vote 1—Operating expenditures			
Personnel (includes contributions to employee benefit plans)	27.3	28.1	(0.8)
Non-personnel	4.1	4.5	(0.4)
Vote 5—Grants and scholarships	684.9	675.7	9.2
Total budgetary expenditures	716.3	708.3	8.0

Total budgetary expenditures amounted to \$716.3 million at the end of the third quarter of fiscal 2022-23, compared to \$708.3 million reported in the same period in the previous fiscal year.

Grants and scholarships

At the end of the third quarter of fiscal 2022-23, grant and scholarship expenses increased by \$9.2 million, compared to what was reported in the same period in the previous fiscal year. The increase is mainly due to the timing of award payments.

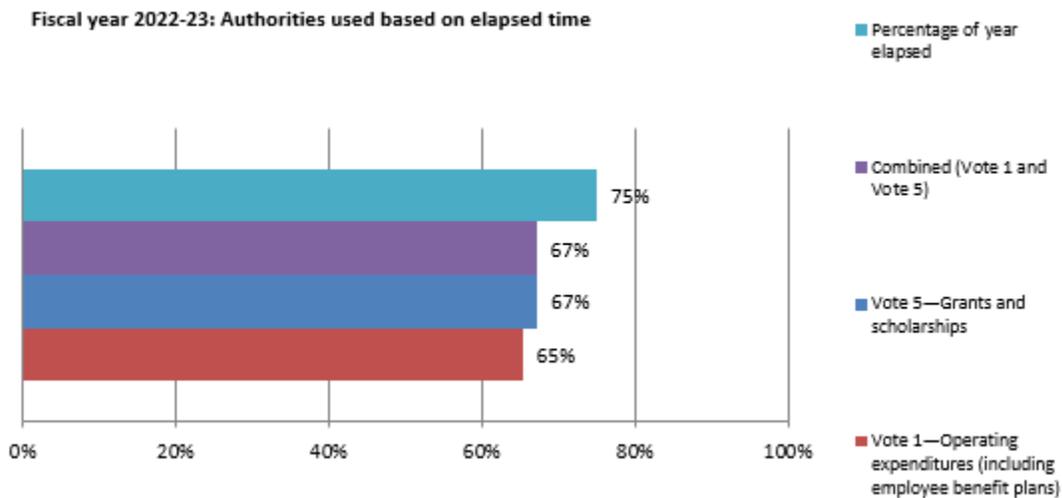
Operating expenditures

Personnel expenditures, which include contributions to employee benefit plans, have decreased by \$0.8 million compared to the same period in the previous year, mainly due to the ratification of the collective

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agreement (October 2021) and the related clauses pertaining to salary increases and retroactive payments in the previous year.

Total non-personnel expenditures as of the third quarter of fiscal 2022-23 have remained largely in line with the comparative period of the previous year. There was a decrease in the acquisition of machinery and equipment expenditures related to the Workplace Renewal project launched during 2020-21, in partnership with the Natural Sciences and Engineering Research Council. This was partially offset by an increase in transportation and telecommunications expenditures due to the removal of pandemic restrictions that allowed for the resumption of travel and in-person activities; by an increase in information expenditures related to data and publication services; and by an increase in the use of management consulting services. See the departmental budgetary expenditures by standard object table in section 6 for additional details.



Total authorities used at the end of the third quarter of fiscal 2022-23 (\$716.3 million) represent 67% of total available authorities (\$1.067 billion).

Quarterly spending

The total authorities used during the third quarter of fiscal 2022-23 amounted to \$235.1 million. This represents 22.0% of the total available authorities; 22.0% of total authorities for grant and scholarship programs; and 22.3% of total authorities for operating expenditures and employee benefits.

Budgetary expenditures used during the third quarter

(millions of dollars)

Vote 1—Operating expenditures

Personnel (includes contributions to employee benefit plans)
 Non-personnel

Vote 5—Grant and scholarship

Total budgetary expenditures

	2022-23	2021-22	Variance
Personnel (includes contributions to employee benefit plans)	9.0	11.9	(2.9)
Non-personnel	1.7	1.9	(0.2)
Vote 5—Grant and scholarship	224.4	232.4	(8.0)
Total budgetary expenditures	235.1	246.2	(11.1)

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Grants and scholarships

Transfer payments represent 95.5% of SSHRC's available authorities. Variations occur in transfer payment expenditures between quarters due to the nature of program cycles and fluctuations in budgetary authorities. During the third quarter of fiscal 2022-23, SSHRC's transfer payment expenditures decreased by \$8.0 million compared with the same quarter in the previous fiscal year. The decrease is mainly due to the timing of award payments.

Operating expenditures

Personnel expenditures, which include contributions to employee benefit plans, for the third quarter of fiscal 2022-23 decreased by \$2.9 million compared to the comparative period of fiscal 2021-22. This decrease is mainly due to the ratification of the collective agreement (October 2021) and the related clauses pertaining to salary increases and retroactive payments in the previous year.

Total non-personnel expenditures for the third quarter of fiscal 2022-23 remained in line with expenses incurred during the same period of the previous fiscal year, with some variances attributed to the acquisition of machinery and equipment, transportation and telecommunications, information and use of professional services, as previously mentioned under the Year-to-Date Spending section of this report. See the departmental budgetary expenditures by standard object table in section 6 for additional details.

3. Risks and uncertainties

Through the corporate risk identification exercise, SSHRC produces an annual corporate risk profile that includes strategic risks along with risk levels and mitigation activities. SSHRC has linked corporate risk management with its integrated planning process to ensure greater cohesion and executive oversight in the delivery of its mandate.

The 2022–23 risk assessment exercise provided the level of insight required to properly respond to risk through the allocation of resources, both human and financial, and through the prioritization of activities. Senior management is closely monitoring the following three key risks:

Strategic risk 1—Ability to manage resources

Multiple pressures facing the organization (e.g., design and delivery of new programs, expanded collaboration with external stakeholders, modernization of grants management systems, move to new offices) may stretch SSHRC's limited operating resources and raise challenges in efficiently allocating financial and human resources to support priority activities. 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, including the cumulative impact of multiple changes. SSHRC has several key activities for fiscal 2022-23 that involve new technologies, organizational changes, new collaborations, new program directions and external factors affecting the organization. To ensure successful completion and minimize unintended impacts on other

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projects and on operations, SSHRC continues to implement mandatory training; the People Strategy; the Performance Management Program; the Corporate Communications Strategy, which includes an employee communications plan; and other strategies to help ensure the appropriate development of employees in a changing work environment.

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 transformative changes in its operations, including delivery of high-profile programs and the sensitive or controversial nature of funded research, 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.

Read more about SSHRC's key risks for the current fiscal year in the [2022-23 Departmental Plan](#).

4. Significant changes related to operations, personnel and programs

In the spring of 2021, the three federal research funding agencies—SSHRC, the Canadian Institutes of Health Research and the Natural Sciences and Engineering Research Council—launched the Tri-agency Interdisciplinary Peer Review Committee as a one-year pilot program. This was an effort to build on the agencies' world-class peer review processes and commitment to support interdisciplinary research, by bringing together researchers with expertise from across the social sciences, humanities, natural sciences, engineering and health sciences to review proposals for interdisciplinary, investigator-initiated research projects. After a successful inaugural year, the agencies announced that the pilot will be extended for a second year.

On October 6, 2022, the Honourable François-Philippe Champagne, Minister of Innovation, Science and Industry, and the Honourable Jean-Yves Duclos, Minister of Health, launched the Advisory Panel on the Federal Research Support System. Benefiting from the insights of leaders in the science, research and innovation ecosystem, the panel will provide independent, expert policy advice on the structure, governance and management of the federal system supporting research and talent. This will ensure that Canadian researchers are positioned for even more success now and in the future. The panel will focus on the relationships between the three federal research funding agencies and their relationship with the Canada Foundation for Innovation.

In November 2022, SSHRC started occupying its new headquarters in the Zibi development. It is one of Canada's most sustainable communities and is situated on the traditional unceded territory of the Algonquin Anishinaabeg People, overlooking the Ottawa River. The move to this new location is an opportunity to transition SSHRC to the latest Government of Canada workplace standards, to modernize its policies and processes for employees, and to invest in technologies that enable flexible work arrangements and a healthier work-life balance.

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Approved by:

**Ted Hewitt, PhD
President**

Dominique Osterrath

**Vice-President and Chief
Financial Officer**

Ottawa, Canada

March 1, 2023

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5. Statement of authorities (unaudited)

<i>(in thousands of dollars)</i>	Fiscal year 2022-23			Fiscal year 2021-22		
	Total available for use for the year ending March 31, 2023*	Used during the quarter ended December 31, 2022	Year-to-date used at quarter- end	Total available for use for the year ending March 31, 2022*	Used during the quarter ended December 31, 2021	Year-to-date used at quarter-end
Vote 1—Operating expenditures	43,749	9,681	28,260	38,596	12,928	29,785
Vote 5—Grants and scholarships	1,019,113	224,377	684,879	972,086	232,435	675,693
Budgetary statutory authorities						
Contributions to the employee benefit plans	4,322	1,042	3,127	4,303	918	2,748
Spending of revenues pursuant to subsection 4 (2) of the <i>Social Sciences and Humanities Research Council Act</i>	108	-	-	95	-	-
Total budgetary authorities	1,067,292	235,100	716,266	1,015,080	246,281	708,226

* 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)

<u>(in thousands of dollars)</u>	Fiscal year 2022-23			Fiscal year 2021-22		
	Planned expenditures for the year ending March 31, 2023	Expended during the quarter ended December 31, 2022	Year-to-date used at quarter-end	Planned expenditures for the year ending March 31, 2022	Expended during the quarter ended December 31, 2021	Year-to-date used at quarter-end
<u>Expenditures</u>						
Personnel	34,848	9,012	27,265	31,883	11,922	28,078
Transportation and communications	576	113	253	248	44	139
Information	1,530	270	547	916	168	493
Professional and special services	7,890	1,033	2,398	6,393	805	2,270
Rentals	1,676	169	517	1,328	241	620
Repair and maintenance	154	2	46	64	4	60
Utilities, materials and supplies	93	11	38	89	13	34
Acquisition of machinery and equipment	1,227	113	323	2,073	649	819
Other subsidies and payments	185	-	-	-	-	20
Transfer payments	1,019,113	224,377	684,879	972,086	232,435	675,693
Total budgetary expenditures	1,067,292	235,100	716,266	1,015,080	246,281	708,226