

Social Sciences and Humanities Research Council of Canada

Quarterly Financial Report

for the Quarter Ended September 30, 2023



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 2023-24 [Main Estimates](#) and [Supplementary Estimates \(A\)](#). 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 and Supplementary Estimates (A) for fiscal 2023-24. 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.

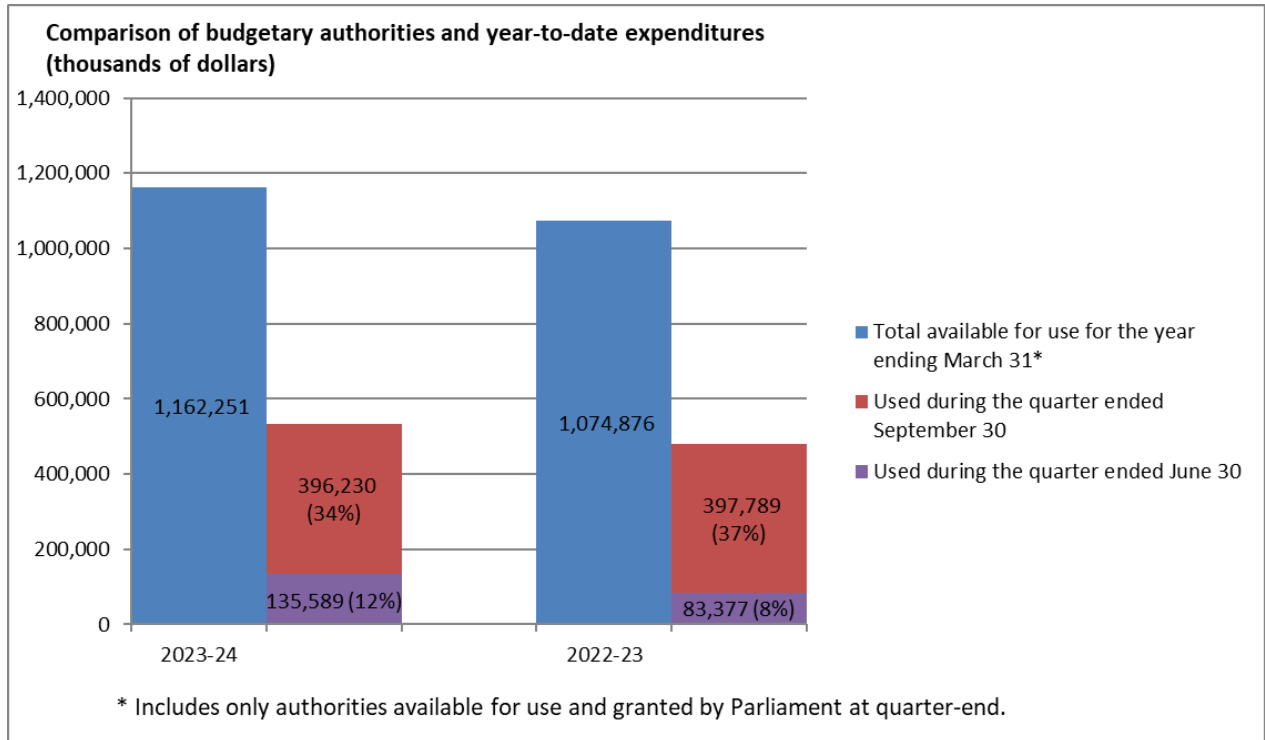
SSHRC uses the full accrual method of accounting to prepare and present its annual financial statements that are part of the departmental results reporting process. However, the spending authorities voted by Parliament remain on an expenditure basis.

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.

The following graph provides a comparison of budgetary authorities available for the full fiscal year, and budgetary expenditures by quarter, for fiscal 2023-24 and fiscal 2022-23.

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2.1 Significant changes to budgetary authorities

As of September 30, 2023, SSHRC's total available authorities for fiscal 2023-24 amounted to \$1.162 billion. This represents an overall increase of \$87.4 million (8.1%) 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 \$38.6 million from Budget 2014 for the Canada First Research Excellence Fund, to help postsecondary institutions excel globally in research areas that create long-term economic advantages for Canada;
- an increase of \$25.5 million from Budget 2022 to enhance Canada's ability to protect our research and to build capacity within postsecondary institutions to identify, assess and mitigate potential risks to research security;
- an increase of \$14.2 million from Budget 2018 for the New Frontiers in Research Fund, supporting research that is international, interdisciplinary, high risk and fast-breaking;
- an increase of \$4.6 million from Budget 2008 for the 2022 competition of the Canada Excellence Research Chairs program, which supports Canadian universities in their efforts to build on Canada's growing reputation as a global leader in research and innovation;
- an increase of \$2.6 million from Budget 2022 to support targeted scholarships and fellowships for promising Black research trainees;
- an increase of \$2.3 million for the College and Community Innovation program, to increase innovation through partnerships between Canadian colleges, universities and local companies, which came from the transfer from NSERC based on a competition result in fiscal year 2022-23.

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- a decrease of \$1.5 million related to the gradual transfer of 2 programs (the Centres of Excellence for Commercialization and Research, and the Business-Led Networks of Centres of Excellence) to ISED under the Strategic Innovation Fund, as per the Budget 2018 announcement, which also included sunsetting the Networks of Centres of Excellence program; and
- an increase of \$1.0 million from Budget 2022 to support university researchers in developing technologies and crop varieties that will allow for net-zero emission agriculture.

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)

| | 2023-24 | 2022-23 | Variance |
|--|--------------|--------------|-------------|
| Vote 1—Operating expenditures | | | |
| Personnel (includes contributions to employee benefit plans) | 20.0 | 18.3 | 1.7 |
| Non-personnel | 2.8 | 2.4 | 0.4 |
| Vote 5—Grants and scholarships | 509.0 | 460.5 | 48.5 |
| Total budgetary expenditures | 531.8 | 481.2 | 50.6 |

Total budgetary expenditures amounted to \$531.8 million at the end of the second quarter of fiscal 2023-24, compared to \$481.2 million reported in the same period in the previous fiscal year.

Grants and scholarships

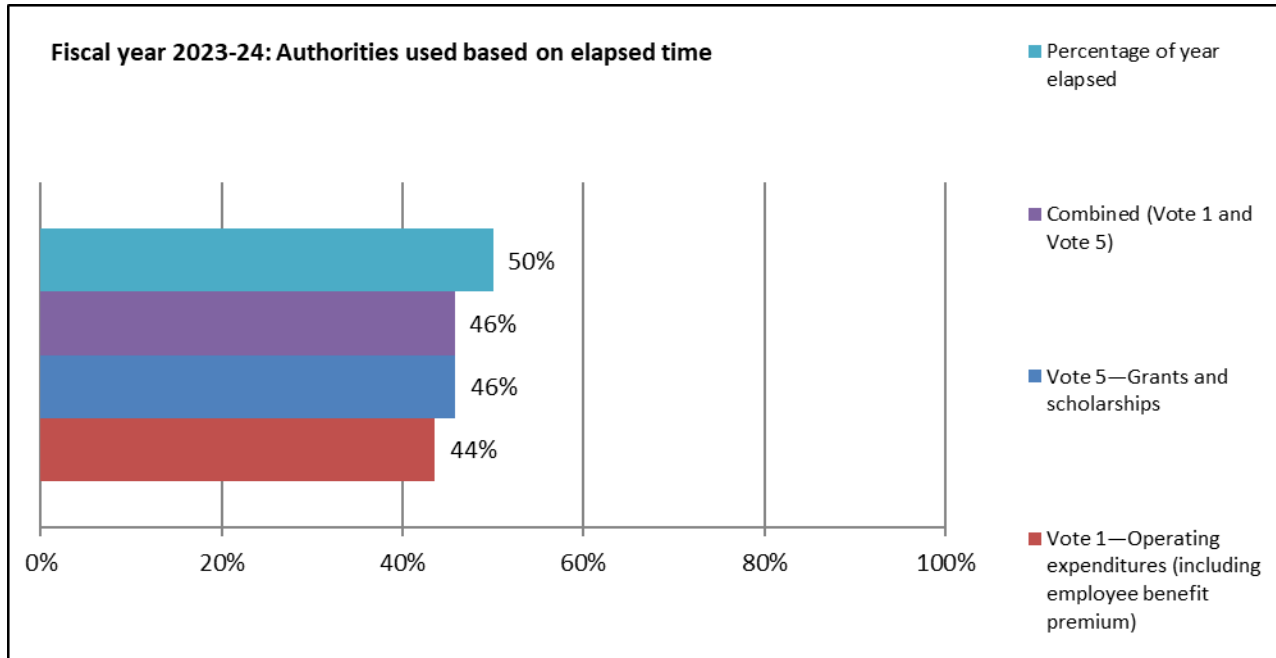
At the end of the second quarter of fiscal 2023-24, grant and scholarship expenses increased by \$48.5 million, compared to those reported in the same period in the previous fiscal year. The increase is mainly due to the increased funding for the 2022 Canada First Research Excellence Fund competition and the timing of other award payments.

Operating expenditures

Personnel expenditures, which include contributions to employee benefit plans (EBPs), have increased by \$1.7 million compared to the same period in the previous year, mainly due to an increase in funding for the Canada First Research Excellence Fund and the New Frontiers in Research Fund, and an increase in EBP payments to the Treasury Board Secretariat.

Total non-personnel expenditures as of the second quarter of fiscal 2023-24 have remained largely in line with the comparative period in the previous fiscal year. There was an increase in transportation and telecommunications expenditures due to the removal of all pandemic restrictions, which allowed for the resumption of travel and in-person activities; and an increase in professional and special services, driven by the increased use of information technology and telecommunications consultants. This was partially offset by a decrease in expenditures for repair and maintenance, and information. See the Departmental budgetary expenditures by standard object table in Section 6 for details.

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Total authorities used at the end of the second quarter of fiscal 2023-24 (\$531.8 million) represent 46% of total available authorities (\$1.162 billion).

Quarterly spending

The total authorities used during the second quarter of fiscal year 2023-24 amounted to \$396.2 million (34.1% of the total available authorities; 34.6% of total authorities for grant and scholarship programs; and 23.3% of total authorities for operating expenditures and employee benefits).

Budgetary expenditures used during the second 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

| | 2023-24 | 2022-23 | Variance |
|--|----------------|----------------|-----------------|
| Personnel (includes contributions to employee benefit plans) | 10.2 | 9.8 | 0.4 |
| Non-personnel | 1.8 | 1.3 | 0.5 |
| Vote 5—Grant and scholarship | 384.2 | 386.7 | (2.5) |
| Total budgetary expenditures | 396.2 | 397.8 | (1.6) |

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. During the second quarter of fiscal year 2023-24, SSHRC's transfer payment expenditures have decreased by \$2.5 million compared with the same quarter of the previous fiscal year.

The variance is due to the timing of payments for the College and Community Social Innovation Fund and other award payments.

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Operating expenditures

Personnel expenditures (includes contributions to EBP) for the second quarter of fiscal 2023-24 have increased by \$0.4 million compared to the comparative period of fiscal 2022-23, mainly due to an increase in funding for the Canada First Research Excellence Fund and the New Frontiers in Research Fund, and an increase in EBP payments to the Treasury Board Secretariat.

Total non-personnel expenditures for the second quarter of fiscal 2023-24 have remained in line with expenses incurred during the same period of the previous fiscal year with some variances attributed to professional services and information, as previously mentioned under Year-to-Date Spending section of this report, as well as rentals and acquisition of machinery and equipment. 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 delivering its mandate.

The 2023-24 risk assessment exercise provided the level of insight required to properly respond to risk, through allocation of resources, both human and financial, and prioritization of activities. Senior management is closely monitoring the following three key risks:

Strategic risk 1— Managing 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.

Strategic risk 2—Managing change

The volume and complexity of changes facing SSHRC may outstrip ability to effectively manage change and effectively adapt to new technologies, organizational growth, new collaborations, new programs and new program directions, and external factors affecting the organization, while ensuring continuity of business operations.

Strategic risk 3—Safeguarding SSHRC's Reputation

SSHRC may face challenges to its reputation due to transformative changes in its operations, delivery of high-profile programs, the sensitive or controversial nature of funded research, and the agency's increasing engagement with external partners and stakeholders.

Read more about key risks for the current fiscal year in SSHRC's [2023-24 Departmental Plan](#).

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4. Significant changes related to operations, personnel and programs

The House of Commons Standing Committee on Science and Research completed a study on research and scientific publication in French, both in Quebec and in the rest of Canada. The report, [Revitalizing Research and Scientific Publication in French in Canada](#), was published in June 2023 and included 17 recommendations to the government of Canada.

On July 4, Canada's federal research granting agencies—the [Canadian Institutes of Health Research \(CIHR\)](#), the [Natural Sciences and Engineering Research Council of Canada \(NSERC\)](#), and the [Social Sciences and Humanities Research Council of Canada \(SSHRC\)](#)—announced a review of the [Tri-Agency Open Access \(OA\) Policy on Publications](#) (OA Policy), with the goal of requiring that any peer-reviewed journal publications arising from agency-supported research be freely available, without subscription or fee, at the time of publication. The renewed OA Policy will be released by the end of 2025.

Budget 2023 proposed reducing spending on consulting, travel and other professional services by roughly 15% of planned 2023-24 spending by 2024-25, beginning in 2023-24, and reducing eligible departments and agencies' spending by 3% by 2026-27 beginning in 2024-25. SSHRC is revising its spending plans in alignment with the guidance provided by the Treasury Board Secretariat and Department of Finance and is committed to managing the intended annual targets' savings and continue to build on its existing efforts to appropriately reduce those expenditures.

The Direction on hybrid work at SSHRC entered into effect on July 1st, implementing a common hybrid-work model of remote working up to three days per week (i.e., minimum of two days per week on site).

Approved by:

Ted Hewitt, PhD
President

Dominique Osterrath
Vice-President and Chief
Financial Officer

Ottawa, Canada
November 29, 2023

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5. Statement of authorities (unaudited)

| | Fiscal year 2023-24 | | | Fiscal year 2022-23 | | |
|--|--|---|---|--|---|--|
| | Total available for use for the year ending March 31, 2024* | Used during the quarter ended September 30, 2023 | Year-to-date used at quarter- end | Total available for use for the year ending March 31, 2023* | Used during the quarter ended September 30, 2022 | Year-to-date used at quarter-end |
| <i>(in thousands of dollars)</i> | | | | | | |
| Vote 1—Operating expenditures | 46,456 | 10,813 | 20,276 | 41,226 | 10,051 | 18,580 |
| Vote 5—Grants and scholarships | 1,110,480 | 384,175 | 509,059 | 1,029,373 | 386,696 | 460,501 |
| Budgetary statutory authorities | | | | | | |
| Contributions to the employee benefit plan | 5,207 | 1,242 | 2,484 | 4,169 | 1,042 | 2,085 |
| Spending of revenues pursuant to subsection 4 (2) of the <i>Social Sciences and Humanities Research Council Act</i> | 108 | - | - | 108 | - | - |
| Total budgetary authorities | 1,162,251 | 396,230 | 531,819 | 1,074,876 | 397,789 | 481,166 |

* 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 2023-24 | | | Fiscal year 2022-23 | | |
|--|---|--|----------------------------------|---|--|----------------------------------|
| | Planned expenditures for the year ending March 31, 2024 | Expended during the quarter ended September 30, 2023 | Year-to-date used at quarter-end | Planned expenditures for the year ending March 31, 2023 | Expended during the quarter ended September 30, 2022 | Year-to-date used at quarter-end |
| <u>Expenditures</u> | | | | | | |
| Personnel | 39,078 | 10,264 | 19,994 | 32,405 | 9,771 | 18,253 |
| Transportation and communications | 408 | 174 | 291 | 566 | 103 | 140 |
| Information | 1,829 | 36 | 263 | 1,503 | 124 | 277 |
| Professional and special services | 7,082 | 1,071 | 1,494 | 7,753 | 875 | 1,365 |
| Rentals | 1,399 | 233 | 412 | 1,648 | 120 | 349 |
| Repair and maintenance | 131 | 26 | 29 | 151 | 8 | 44 |
| Utilities, materials and supplies | 74 | 13 | 36 | 91 | (14) | 27 |
| Acquisition of machinery and equipment | 1,731 | 237 | 240 | 1,205 | 107 | 210 |
| Other subsidies and payments | 39 | 1 | 1 | 181 | - | - |
| Transfer payments | 1,110,480 | 384,175 | 509,059 | 1,029,373 | 386,695 | 460,501 |
| Total budgetary expenditures | 1,162,251 | 396,230 | 531,819 | 1,074,876 | 397,789 | 481,166 |