

**Social Sciences and Humanities Research Council**

**Quarterly Financial Report**

**for the Quarter Ended December 31, 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](#), [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 SSHRC's 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 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.

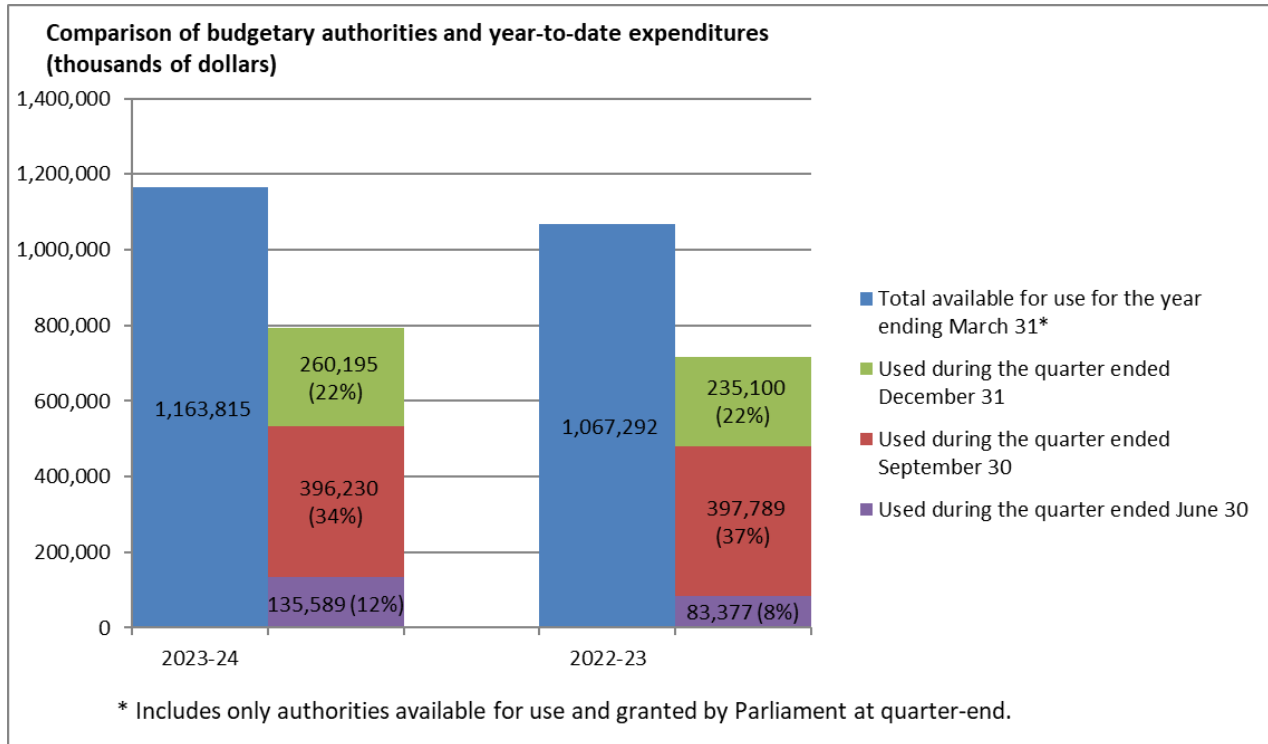
SSHRC uses the full accrual method of accounting to prepare and present its annual financial statements that are part of the departmental results reporting process. However, the spending authorities voted by Parliament remain on an expenditure basis.

### **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 December 31, 2023, SSHRC's total available authorities for fiscal 2023-24 amounted to \$1.164 billion. This represents an overall increase of \$96.5 million (9.0%) 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 \$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 \$37.5 million from Budget 2021 for the new Canada Biomedical Research Fund, to support high-risk applied research, training and talent development, which was reprofiled to future years during the third quarter of 2022-23;
- 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 \$2.1 million for the College and Community Innovation program, to increase innovation through partnerships between Canadian colleges, universities and local companies, based on the tri-agency competition result in fiscal year 2022-23;
- a decrease of \$1.5 million related to the gradual transfer of two programs (the Centres of Excellence for Commercialization and Research and the Business-Led Networks of Centres of Excellence) to

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ISED under the Strategic Innovation Fund, as per the Budget 2018 announcement, which also included sunsetting the Networks of Centres of Excellence program;

- a decrease of \$1.3 million attributed to the non-recurring retroactive pay for executives encompassed in the updated terms and conditions of employment in Q3 2022-23;
- an increase of \$1.2 million from Budget 2022 to support targeted scholarships and fellowships for promising Black research trainees;
- 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; and
- a decrease of \$0.5 million related to Budget 2023 travel and professional services reductions.

## 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
<b>Vote 1—Operating expenditures</b>			
Personnel (includes contributions to employee benefit plans)	30.3	27.3	3.0
Non-personnel	4.6	4.1	0.5
<b>Vote 5—Grants and scholarships</b>	757.1	684.9	72.2
<b>Total budgetary expenditures</b>	<b>792.0</b>	<b>716.3</b>	<b>75.7</b>

Total budgetary expenditures amounted to \$792.0 million at the end of the third quarter of fiscal 2023-24, compared to \$716.3 million reported in the same period of the previous fiscal year.

### Grants and scholarships expenditures

At the end of the third quarter of fiscal 2023-24, grants and scholarships expenses increased by \$72.2 million, compared to those reported in the same period of the previous fiscal year. The increase is mainly due to the increased funding for the 2022 Canada First Research Excellence Fund and the 2023 Canada Excellence Research Chairs competitions and the timing of other award payments such as the Research Support Fund, the New Frontiers in Research Fund and the Canada Biomedical Research Fund.

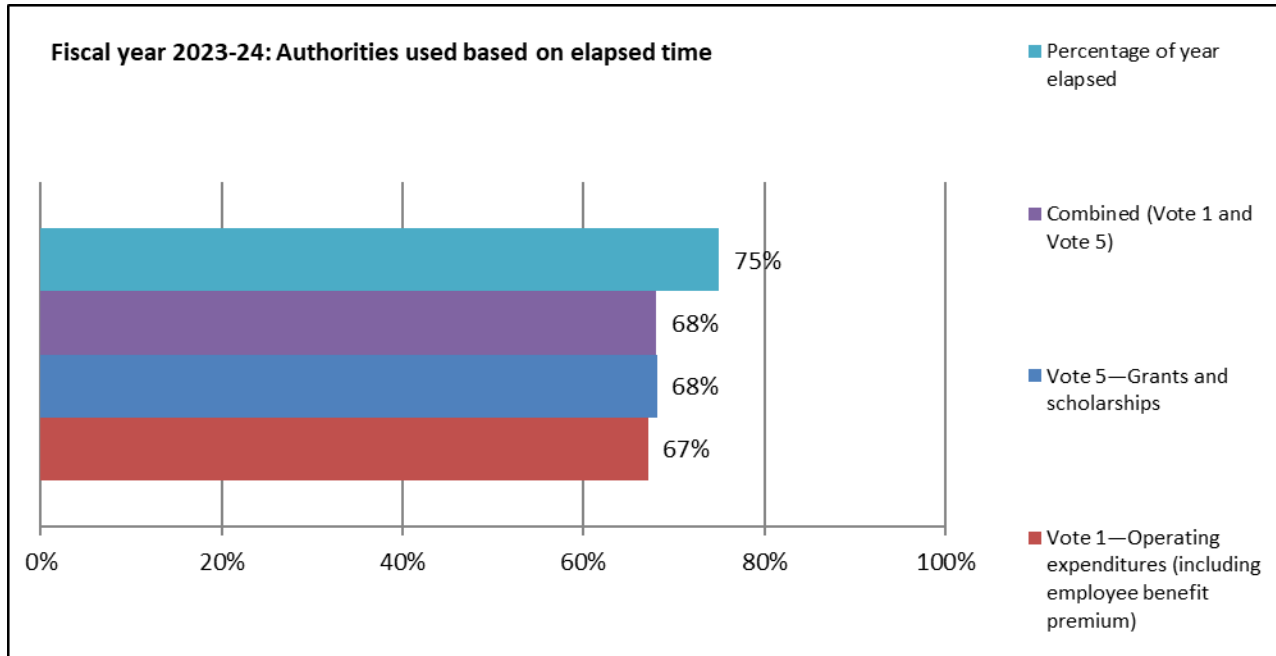
### Operating expenditures

Personnel expenditures, which include contributions to employee benefit plans (EBPs), have increased by \$3.0 million compared to the same period of 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 third quarter of fiscal 2023-24 have remained largely in line with the comparative period of the previous fiscal year. There was an increase in transportation and communications expenditures due to the removal of all pandemic restrictions, which allowed for the

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resumption of travel and in-person activities. See the Departmental budgetary expenditures by standard object table in Section 6 for details.



Total authorities used at the end of the third quarter of fiscal 2023-24 (\$792.0 million) represent 68% of total available authorities (\$1.164 billion).

### Quarterly spending

The total authorities used during the third quarter of fiscal year 2023-24 amounted to \$260.2 million (22.4% of the total available authorities; 22.3% of total authorities for grants and scholarships programs; and 23.4% of total authorities for operating expenditures and employee benefits).

#### Budgetary expenditures used during the third quarter

(millions of dollars)

	2023-24	2022-23	Variance
<b>Vote 1—Operating expenditures</b>			
Personnel (includes contributions to employee benefit plans)	10.3	9.0	1.3
Non-personnel	1.9	1.7	0.2
<b>Vote 5—Grants and scholarships</b>	248.0	224.4	23.6
<b>Total budgetary expenditures</b>	<b>260.2</b>	<b>235.1</b>	<b>25.1</b>

#### Grants and scholarships expenditures

Transfer payments represent 95.5% of SSHRC's available authorities. Variations occur in transfer payment expenditures between quarters due to changes in budgetary authorities and the nature of program cycles. During the third quarter of fiscal year 2023-24, SSHRC's transfer payment expenditures increased by \$23.6 million compared with the same quarter of the previous fiscal year.

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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, such as the Research Support Fund and the New Frontiers in Research Fund.

**Operating expenditures**

Personnel expenditures (including contributions to EBP) for the third quarter of fiscal 2023-24 have increased by \$1.3 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 third 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 an increase in transportation and communications expenditures, 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 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 its ability to effectively manage change and effectively adapt to new technologies, organizational growth, new collaborations, new programs and new program directions, as well as 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.

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

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

On November 8, 2023, the Canadian Institutes of Health Research (CIHR), the Natural Sciences and Engineering Research Council (NSERC), SSHRC and the Canada Foundation for Innovation (CFI) announced the establishment of an ad hoc panel of external experts to provide guidance to the agencies and the research community on the use of generative artificial intelligence (AI) in the development and review of research proposals. The panel's advice and recommendations were published in December 2023.

On December 19, 2023, NSERC, in collaboration with CIHR and SSHRC, announced the upcoming launch of the Lab to Market grants, a new tri-agency initiative designed to foster the development of entrepreneurship skills and commercialization capacity within networks in the academic community. The Lab to Market grants initiative stems from the Government of Canada's commitment in the 2022 Federal Budget to launch a new national program to help students and researchers take their work to market. This initiative aims to equip researchers and highly qualified personnel with essential tools, resources and knowledge to transform their academic research into innovations ready for the marketplace.

Approved by:

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

**Dominique Osterrath**  
**Vice-President and Chief**  
**Financial Officer**

Ottawa, Canada  
February 29, 2024



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

<u>(in thousands of dollars)</u>	Fiscal year 2023-24			Fiscal year 2022-23		
	Total available for use for the year ending March 31, 2024*	Used during the quarter ended December 31, 2023	Year-to-date used at quarter- end	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
Vote 1—Operating expenditures	46,886	10,965	31,241	43,749	9,681	28,260
Vote 5—Grants and scholarships	1,111,614	247,995	757,054	1,019,113	224,377	684,879
Budgetary statutory authorities						
Contributions to the employee benefit plan	5,207	1,235	3,720	4,322	1,042	3,127
Spending of revenues pursuant to subsection 4 (2) of the <i>Social Sciences and Humanities Research Council Act</i>	108	-	-	108	-	-
<b>Total budgetary authorities</b>	<b>1,163,815</b>	<b>260,195</b>	<b>792,015</b>	<b>1,067,292</b>	<b>235,100</b>	<b>716,266</b>

\* 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 December 31, 2023	Year-to-date used at quarter-end	Planned expenditures for the year ending March 31, 2023	Expended during the quarter ended December 31, 2022	Year-to-date used at quarter-end
<b><u>Expenditures</u></b>						
Personnel	39,616	10,338	30,332	34,848	9,012	27,265
Transportation and communications	402	254	545	576	113	253
Information	1,814	291	554	1,530	270	547
Professional and special services	7,022	992	2,486	7,890	1,033	2,398
Rentals	1,388	173	585	1,676	169	517
Repair and maintenance	130	23	52	154	2	46
Utilities, materials and supplies	73	15	52	93	11	38
Acquisition of machinery and equipment	1,717	114	354	1,227	113	323
Other subsidies and payments	39	-	1	185	-	-
Transfer payments	1,111,614	247,995	757,054	1,019,113	224,377	684,879
<b>Total budgetary expenditures</b>	<b>1,163,815</b>	<b>260,195</b>	<b>792,015</b>	<b>1,067,292</b>	<b>235,100</b>	<b>716,266</b>