

Social Sciences and Humanities Research Council of Canada
Quarterly Financial Report
for the Quarter Ended December 31, 2021

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 2021-22 [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 2021-22. 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.

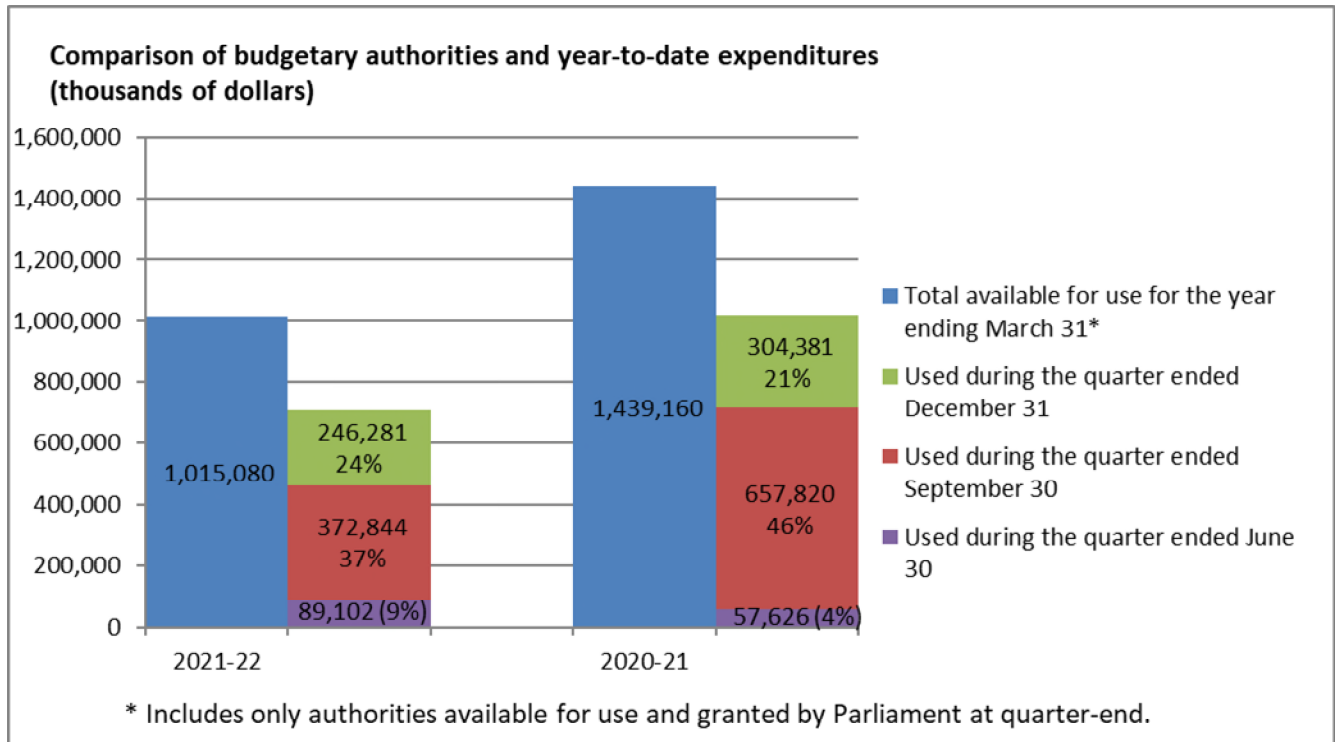
SSHRC uses the full accrual method of accounting to prepare and present its annual financial statements that are part of the departmental results reporting process. However, the spending authorities voted by Parliament remain on an expenditure basis.

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 2021-22 and fiscal 2020-21.

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2.1 Significant changes to budgetary authorities

As of December 31, 2021, SSHRC's total available authorities for fiscal 2021-22 amounted to \$1.0 billion. This represents an overall decrease of \$424.1 million (29.5%) from the comparative period of the previous year. The major changes in SSHRC's budgetary authorities between the current and previous fiscal years include:

- a decrease of \$482.1 million in statutory funding received in 2020-21 from the *Public Health Events of National Concern Payments Act* for research placements and ongoing academic activities, as well as for the Canada Research Continuity Emergency Fund;
- an increase in \$24 million for the New Frontiers in Research Fund, due to a reprofile approved in 2020-21 that reduced available authorities for this program;
- an increase of \$12.5 million from Budget 2018 to the Research Support Fund, supporting researchers with the necessary space at postsecondary institutions to undertake research, and to improve accountability and reporting for the program;
- an increase of \$11.7 million from Budget 2018 supporting investigator-led discovery research in the social sciences and humanities;
- an increase of \$2.6 million from Budget 2021 for the Race, Gender and Partnership Fund to fund academic research into systemic barriers faced by diverse groups across Canada;
- an increase of \$3.6 million from Budget 2021 for the new Canada Biomedical Research Fund to support high-risk applied research, training and talent development; and

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- an increase of \$3.0 million from Budget 2019 to increase the number of scholarship awards through the Canada Graduate Scholarships Program and expand the paid parental leave coverage.

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)

	2021-22	2020-21	Variance
Vote 1—Operating expenditures			
Personnel (includes contributions to employee benefit plans)	28.1	23.0	5.1
Non-personnel	4.5	4.0	0.5
Vote 5—Grants and scholarships	675.7	992.8	(317.1)
Total budgetary expenditures	708.3	1,019.8	(311.5)

Total budgetary expenditures amounted to \$708.3 million at the end of the third quarter of fiscal 2021-22, compared to \$1,019.8 million reported in the same period in the previous fiscal year.

Grants and scholarships

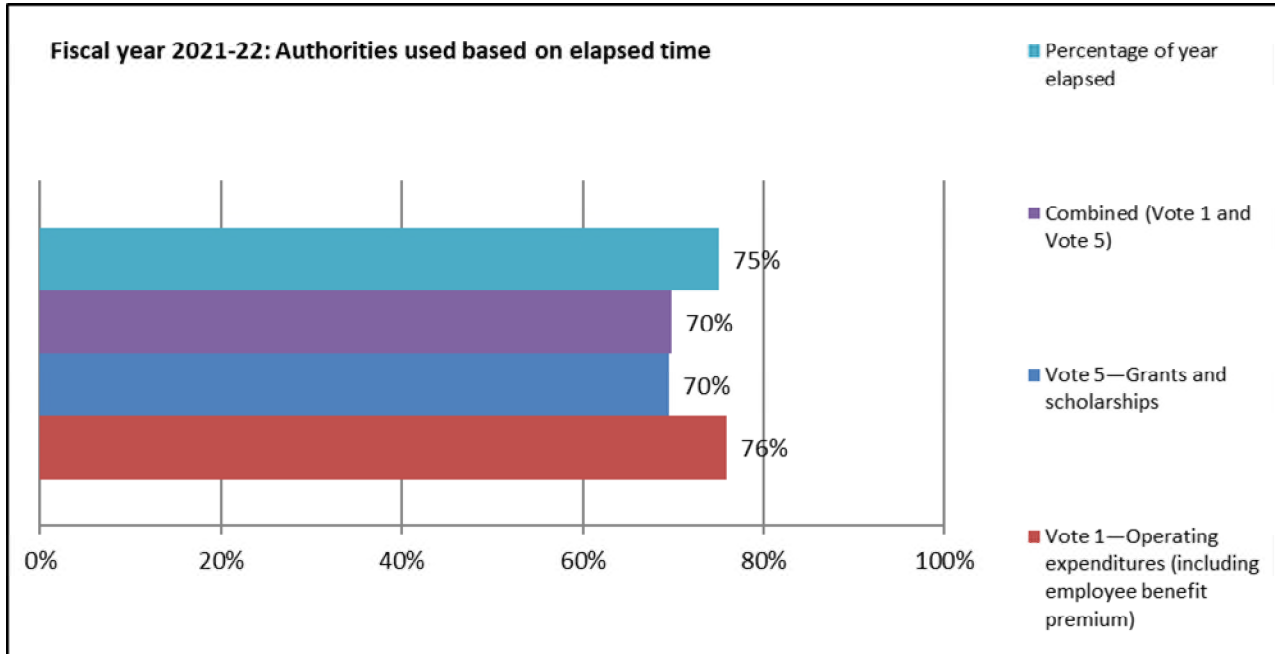
At the end of the third quarter of fiscal 2021-22, grant and scholarship expenses decreased by \$317.1 million, compared to what was reported in the same period of the previous fiscal year. The decrease is mainly due to the statutory funding received in 2020-21 from the *Public Health Events of National Concern Payments Act* and for the Canada Research Continuity Emergency Fund, as well as the timing of other payments.

Operating expenditures

Personnel expenditures, which include contributions to employee benefit plans, have increased by \$5.1 million compared to the same period of the previous year, mainly due to the implementation of the new Collective Agreement and resulting terms and conditions of employment (October 2021) and other related clauses, which resulted in salary increase and retroactive payments.

Total non-personnel expenditures as of the third quarter of fiscal 2021-22 are largely in line with the comparative period of the previous year. There was an increase in 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 (NSERC). There was also an increase in rental and information expenses, due to an increase in information technology purchases and software license subscriptions to support the organization in operating remotely. Professional and special service expenses decreased, however, due to lower usage of management consulting services. See the Departmental budgetary expenditures by standard object table in section 6 for additional details.

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Total authorities used at the end of the third quarter of fiscal 2021-22 (\$708.3 million) represent 69.8% of total available authorities (\$1.015 billion).

Quarterly spending

The total authorities used during the third quarter of fiscal year 2021-22 amounted to \$246.2 million. This represents 24.3% of the total available authorities; 23.9% of total authorities for grant and scholarship programs; and 33.5% 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

	2021-22	2020-21	Variance
Personnel (includes contributions to employee benefit plans)	11.9	8.1	3.8
Non-personnel	1.9	1.8	0.1
Vote 5—Grant and scholarship	232.4	294.5	(62.1)
Total budgetary expenditures	246.2	304.4	(58.2)

Grants and scholarships

Transfer payments represent 96% 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 fiscal year 2021-22, SSHRC's transfer payment expenditures decreased by \$62.1 million compared with the same quarter of the previous fiscal year. The decrease is mainly due to spending of \$84.6 million received from the *Public Health Events of National Concern Payments Act* during 2020-21 to support students and youth affected by the COVID-19 pandemic and to support research institutes and universities. The remaining variance is due to the difference in the timing of other payments.

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Operating expenditures

Personnel expenditures, which include contributions to employee benefit plans, for the third quarter of fiscal 2021-22 increased by \$3.8 million compared to the comparative period of fiscal 2020-21. This increase is mainly due to the implementation of the new terms and conditions of employment in October 2021 and related clauses relative to salary increase and retroactive payments.

Total non-personnel expenditures for the third quarter of fiscal 2021-22 remained in line with expenses incurred during the same period of the previous fiscal year. There was an increase in the acquisition of equipment for the Workplace Renewal project. There was also an increase in rental expenses due to an increase in software license subscriptions to support the organization to work remotely. Professional and special services expenses decreased due to lower usage of management consulting services. 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 annually identifies and assesses corporate-level risks and develops response measures to minimize their likelihood and/or impact. Senior management closely follow the risks below to ensure they are continuously mitigated and 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 COVID-19 pandemic and the remote-first work context, 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, including the cumulative impact of multiple changes. SSHRC has a number of key activities for fiscal 2021-22 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 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 implementing time-sensitive / high profile COVID-19 emergency funding, 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.

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Strategic risk 4—Ability to continue business

SSHRC may not be able to ensure continuity of all business operations, due to internal considerations, including the suite of legacy information management and information technology systems being unable to support new operations requiring new programs or substantive changes to existing programs; or due to external environmental considerations, such as the COVID-19 pandemic and the subsequent recovery period. SSHRC will ensure operational continuity and manage its engagements and reputation with stakeholders with an operational plan for legacy maintenance support, including a risk mitigation strategy that is appropriately prioritized and resourced. The agency will also introduce flexibility in program delivery, and with ongoing monitoring and adjustments of funding application deadlines and adjudication timelines.

Read more about SSHRC's key risks for the current fiscal year in the [2021-22 Departmental Plan](#).

4. Significant changes related to operations, personnel and programs

As part of our agency's path to continuously foster a healthy, positive and productive work environment for all employees, SSHRC launched the new Office of the Ombuds and Workplace Well-being to support SSHRC employees. The Ombuds office provides new, in-house informal conflict management and mental health and well-being services.

The NSERC-SSHRC COVID-19 Vaccination Policy came into effect November 8, 2021, requiring all employees to be fully vaccinated, whether working remotely or onsite. Full compliance with the policy was required by December 15, 2021. In alignment with this important measure, all supplier personnel (including subcontractor personnel) who access federal government workplaces were required to be fully vaccinated against COVID-19. Full compliance with the policy was required by November 15, 2021.

NSERC, SSHRC and the Canadian Institutes of Health Research (CIHR) have harmonized their policy to align more clearly with the Treasury Board Policy on Transfer Payments with regard to the eligibility and funding of research projects or programs submitted by applicants who are formally affiliated with a Canadian postsecondary institution, but who are employed by the federal government. The harmonized policy position stipulates that:

1. if the proposed research falls outside the federal employer's mandate and will not be performed using federal facilities or resources, it will then be deemed eligible;
2. if the proposed research falls within the federal employer's mandate and is performed using federal facilities or resources, it will then be assessed by the agencies and funding may be allocated for support of students only (salaries or stipends and travel costs).

As announced in Budget 2021, SSHRC will administer \$250 million over four years, starting in 2021-22, for the tri-agency Canada Biomedical Research Fund, on behalf of the three federal research funding agencies: CIHR, NSERC and SSHRC. The fund will enhance Canada's foundational biomanufacturing excellence and pandemic readiness by developing the research, development and talent pipeline to drive downstream biomanufacturing capacity. It is a key component of *Canada's Biomanufacturing and Life Sciences Strategy*. Budget 2021 also included \$12 million over three years, starting in 2021-22, to

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support community-based research conducted through the Race, Gender and Diversity Partnership Fund. This increased funding will specifically target community-based research to improve understanding of the causes of discrimination and the impact of oppression; and to identify strategies to support justice, equality and accountability.

In November 2021, Valerie La Traverse joined our organization after her appointment as Vice-President, Corporate Affairs.

Approved by:

Ted Hewitt, PhD
President

Dominique Osterrath
Vice-President and Chief
Financial Officer

Ottawa, Canada
March 1, 2022

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5. Statement of authorities (unaudited)

	Fiscal year 2021-22			Fiscal year 2020-21		
	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	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
<u>(in thousands of dollars)</u>						
Vote 1—Operating expenditures	38,596	12,928	29,785	36,511	8,959	23,864
Vote 5—Grants and scholarships	972,086	232,435	675,693	1,041,608	209,934	636,166
Budgetary statutory authorities						
Contributions to the employee benefit plan	4,303	918	2,748	3,735	934	2,745
Spending of revenues pursuant to subsection 4 (2) of the <i>Social Sciences and Humanities Research Council Act</i>	95	-	-	95	-	-
Payments related to the <i>Public Health Events of National Concern Act</i> and income support	-	-	-	357,211	84,554	357,052
Total budgetary authorities	1,015,080	246,281	708,226	1,439,160	304,381	1,019,827

* 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 2021-22			Fiscal year 2020-21		
	Planned expenditures for the year ending March 31, 2022	Expended during the quarter ended December 31, 2021	Year-to-date used at quarter-end	Planned expenditures for the year ending March 31, 2021	Expended during the quarter ended December 31, 2020	Year-to-date used at quarter-end
<u>Expenditures</u>						
Personnel	31,883	11,922	28,078	29,443	8,072	22,956
Transportation and communications	248	44	139	1,753	44	100
Information	916	168	493	1,390	193	392
Professional and special services	6,393	805	2,270	5,878	991	2,523
Rentals	1,328	241	620	668	179	539
Repair and maintenance	64	4	60	75	27	40
Utilities, materials and supplies	89	13	34	73	15	31
Acquisition of land, buildings and works	-	-	-	169	-	-
Acquisition of machinery and equipment	2,073	649	819	1,236	373	420
Other subsidies and payments	-	-	20	46	(1)	(2)
Transfer payments	972,086	232,435	675,693	1,398,429	294,488	992,828
Total budgetary expenditures	1,015,080	246,281	708,226	1,439,160	304,381	1,019,827