

Social Sciences and Humanities Research Council of Canada

Quarterly Financial Report

for the Quarter Ended June 30, 2022

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as represented by the Minister of Innovation, Science and Industry, 2022

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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 \(A\)](#). 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 (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 and Supplementary Estimates (A) 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.

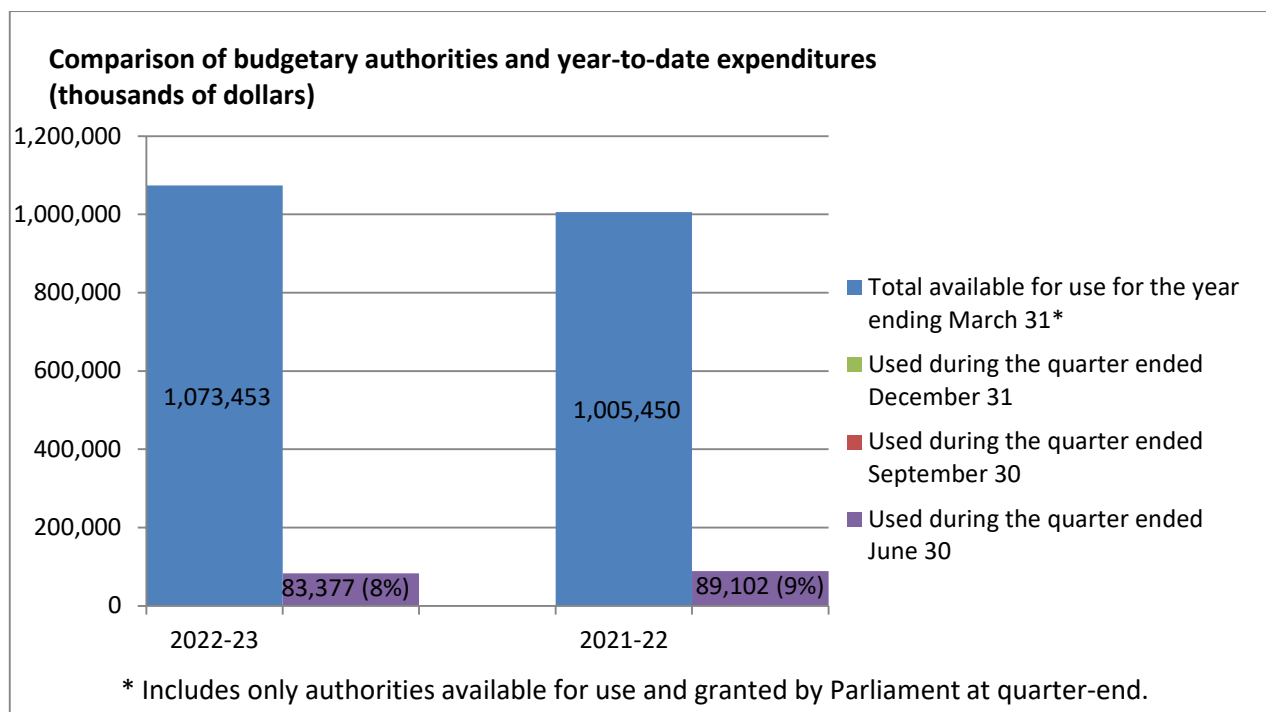
SSHRC uses the full accrual method of accounting to prepare and present its annual financial statements that are part of the departmental results reporting process. However, the spending authorities voted by Parliament remain on an expenditure basis.

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.

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.





2.1 Significant changes to budgetary authorities

As of June 30, 2022, SSHRC's total available authorities for fiscal 2022-23 amounted to \$1.073 billion. This represents an overall increase of approximately \$68 million (7%) 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 \$43.6 million from Budget 2021 for the new Canada Biomedical Research Fund to support high-risk applied research, training and talent development;
- an increase of \$36.0 million for the New Frontiers in Research Fund (Budget 2018), supporting research that is international, interdisciplinary, high risk and fast-breaking;
- a decrease of \$5.4 million for the adjusted distribution of the Canada Graduate Scholarships between the three granting 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 Budget 2018 announcement;
- an increase of \$2.1 million from Budget 2021 for the Race, Gender and Diversity Partnership to fund academic research into systemic barriers faced by diverse groups across Canada;
- 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 Innovation, Science and Economic Development Canada under the Strategic Innovation Fund, as per Budget 2018 announcement;



- a decrease of \$1.5 million for the Canada First Research Excellence Fund to help postsecondary institutions excel globally in research areas that create long-term economic advantages for Canada, for which funding renewal will be sought; and
- a decrease of \$0.2 million for the College and Community Innovation program to increase innovation through partnerships between Canadian colleges, universities and local companies, for which funding is transferred annually from the Natural Sciences and Engineering Research Council (NSERC) based on competition results.

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)	8.5	8.1	0.4
Non-personnel	1.1	1.0	0.1
Vote 5—Grants and scholarships	73.8	80.0	(6.2)
Total budgetary expenditures	83.4	89.1	(5.7)

Total budgetary expenditures amounted to \$83.4 million at the end of the first quarter of fiscal 2022-23, compared to \$89.1 million reported in the same period of the previous fiscal year.

Grants and scholarships

At the end of the first quarter of fiscal 2022-23, grant and scholarship expenses decreased by \$6.2 million, compared to what was reported in the same period of the previous fiscal year. The decrease in spending corresponds partly to the decrease in budgetary authorities for the Canada First Research Excellence Fund, the Networks of Centres of Excellence, the Centres of Excellence for Commercialization and Research, the Business-Led Networks of Centres of Excellence and the Canada Graduate Scholarships programs, and partly to the timing of grant payments.

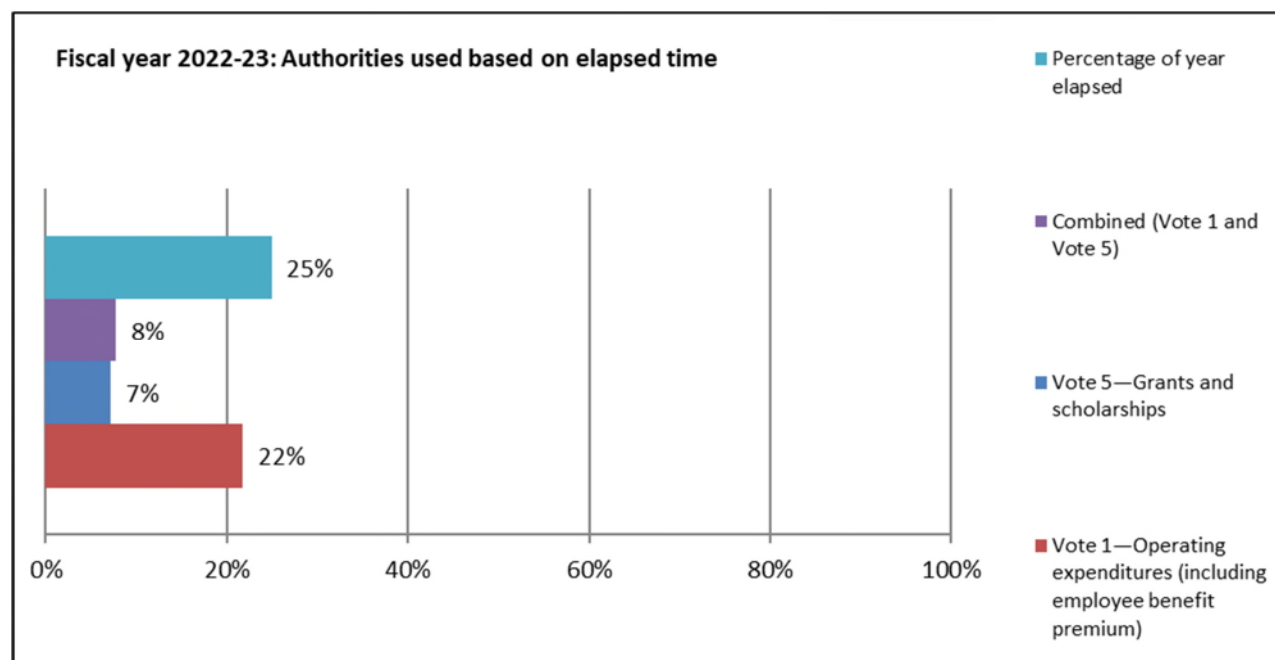
Operating expenditures

Personnel expenditures (includes contributions to employee benefit plans) have increased \$0.4 million compared to the first quarter of 2021-22, due mainly to ratification of the collective agreement during 2021-22 and to new initiatives implemented by SSHRC in the context of the biomedical research fund from Budget 2021.

Operating and maintenance expenditures for the first quarter of fiscal year 2022-23 are in line with the same period of the previous year. There was an increase in spending for the acquisition of machinery and equipment related to the Workplace Renewal project launched during 2020-21 in partnership with NSERC. Professional and special services expenses decreased, however, due to lower use of management consulting services. Please see the Departmental budgetary expenditures by standard object table in section 6 for additional details.



Total authorities used at the end of the first quarter of fiscal 2022-23 (\$83.4 million) represent 8% of total available authorities (\$1,073.5 million).



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 the residual risk level is acceptable. This monitoring will include assessments of SSHRC’s operating environment, given the ongoing changes.

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 pose 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 a number of 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 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

As announced as part of Budget 2022, SSHRC will administer \$125 million over five years, starting in 2022-23, for the Research Support Fund to build capacity within postsecondary institutions to identify, assess and mitigate potential risks to research security. This complements the efforts at the agency to enhance Canada's ability to protect our research. Budget 2022 also included \$40.9 million over five years, starting in 2022-23, for the federal granting agencies to support targeted scholarships and fellowships for promising Black student researchers. As well, Budget 2022 included \$100 million over six years, starting in 2022-23, to SSHRC and NSERC to support postsecondary research in developing technologies and crop varieties that will allow for net-zero emission agriculture. This funding will be delivered in close collaboration with Agriculture and Agri-food Canada as part of a suite of programs.

To continue building a talented and agile workforce that is meaningfully engaged and contributes to the agency meeting its mandate, and to continue fostering a safe, healthy and inclusive work culture, SSHRC launched its revised People Strategy in June 2022. This strategy is the focal point for the bold steps SSHRC will take to fully realize its vision.

Katherine Ludwig has joined NSERC in the role of NSERC/SSHRC Chief Audit Executive. She brings more than 14 years of experience in internal and external auditing to this position.

Approved by:

Ted Hewitt, PhD
President

Dominique Osterrath
Vice-President and Chief
Financial Officer

Ottawa, Canada
August 31, 2022



5. Statement of authorities (unaudited)

(in thousands of dollars)	Fiscal year 2022-23			Fiscal year 2021-22		
	Total available for use for the year ending March 31, 2023*	Used during the quarter ended June 30, 2022	Year-to-date used at quarter-end	Total available for use for the year ending March 31, 2022*	Used during the quarter ended June 30, 2021	Year-to-date used at quarter-end
Vote 1—Operating expenditures	39,803	8,529	8,529	33,931	8,148	8,148
Vote 5—Grants and scholarships	1,029,373	73,806	73,806	967,689	80,037	80,037
Budgetary statutory authorities						
Contributions to the employee benefit plan	4,169	1,042	1,042	3,735	917	917
Spending of revenues pursuant to subsection 4 (2) of the <i>Social Sciences and Humanities Research Council Act</i>	108	-	-	95	-	-
Payments related to the <i>Public Health Events of National Concern Act</i> and income support	-	-	-	-	-	-
Total budgetary authorities	1,073,453	83,377	83,377	1,005,450	89,102	89,102

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



6. Departmental budgetary expenditures by standard object (unaudited)

(in thousands of dollars)	Fiscal year 2022-23			Fiscal year 2021-22		
	Planned expenditures for the year ending March 31, 2023	Expended during the quarter ended June 30, 2022	Year-to-date used at quarter-end	Planned expenditures for the year ending March 31, 2022	Expended during the quarter ended June 30, 2021	Year-to-date used at quarter-end
Expenditures						
Personnel	31,962	8,483	8,483	28,531	8,053	8,053
Transportation and communications	523	37	37	248	56	56
Information	1,390	153	153	916	147	147
Professional and special services	7,173	490	490	5,512	555	555
Rentals	1,526	228	228	1,328	208	208
Repair and maintenance	140	36	36	64	35	35
Utilities, materials and supplies	84	42	42	89	10	10
Acquisition of land, buildings and works	-	-	-	-	-	-
Acquisition of machinery and equipment	1,114	103	103	1,073	1	1
Other subsidies and payments	168	(1)	(1)	-	-	-
Transfer payments	1,029,373	73,806	73,806	967,689	80,037	80,037
Total budgetary expenditures	1,073,453	83,377	83,377	1,005,450	89,102	89,102

