

Social Sciences and Humanities Research Council of Canada
Quarterly Financial Report
For the Quarter Ended September 30, 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](#) 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 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.

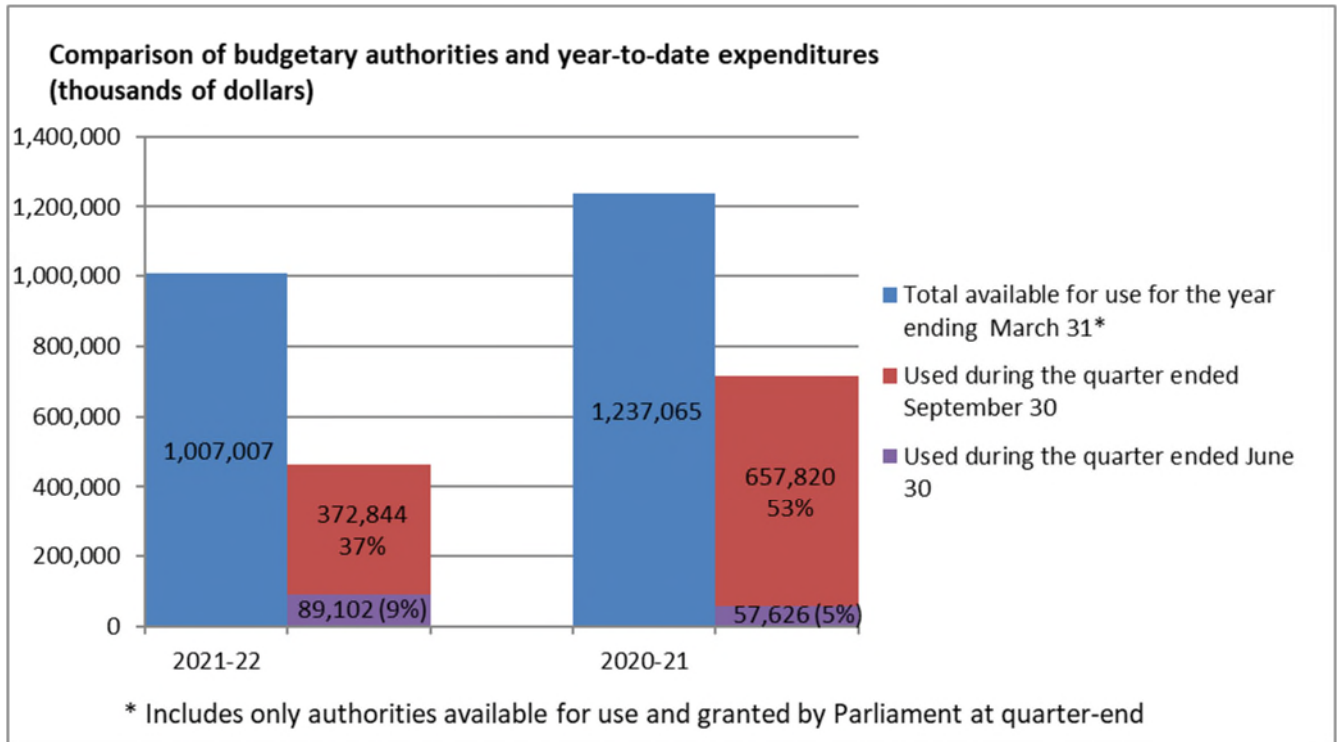
SSHRC uses the full accrual method of accounting to prepare and present its annual financial statements that are part of the departmental results reporting process. However, the spending authorities voted by Parliament remain on an expenditure basis.

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 September 30, 2021, SSHRC's total available authorities for fiscal 2021-22 amounted to \$1.0 billion. This represents an overall decrease of \$230.0 million (18.6%) 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 \$500.7 million in statutory funding received in 2020-21 from the Public Health Events of National Concern Payments Act (PHENCPA) for Research placements and ongoing academic activities as well as for the Canada Research Continuity Emergency Fund (CRCEF).
- an increase of \$243.0 million due to the exceptional withholding of 3/12ths of the supply of Main Estimates in Q1 2020-21, with full supply being approved in December 2020 as a result of the implementation of COVID-19 measures. The full supply was approved during the first quarter in 2021-22;
- 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; and
- an increase of \$3.0 million from Budget 2019 to increase the number of scholarship awards through the Canada Graduate Scholarships program and expanding the paid parental leave coverage.

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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 EBP)	16.2	14.9	1.3
Non-personnel	2.5	2.2	0.3
Vote 5 - Grants and scholarships	443.3	698.3	(255.0)
Total budgetary expenditures	462.0	715.4	(253.4)

Total budgetary expenditures amounted to \$462.0 million at the end of the second quarter of fiscal 2021-22, compared to \$715.4 million reported in the same period in the previous fiscal year.

Grants and scholarships

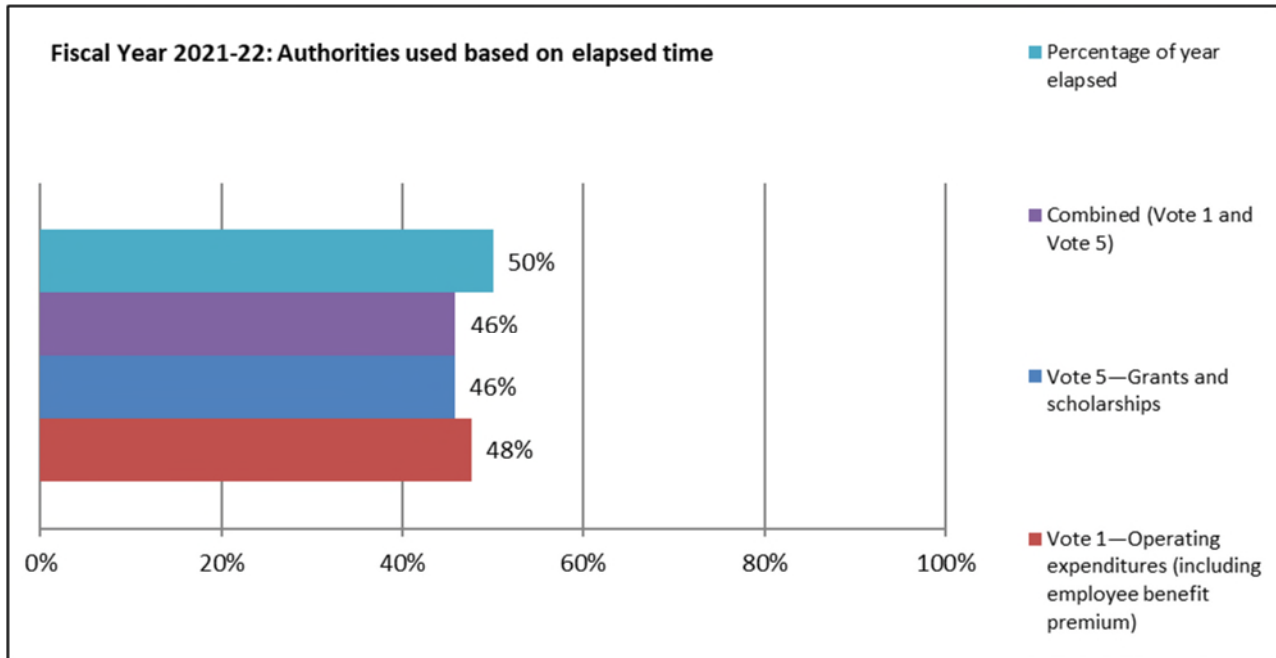
At the end of the second quarter of fiscal 2021-22, the grant and scholarship expenses decreased by \$255.0 million, compared to what was reported in the same period of the previous fiscal year. The decrease is mainly due to the statutory funding received in 2020-21 from Public Health Events of National Concern Payments Act (PHENCPA) for Research placements and ongoing academic activities as well as for the Canada Research Continuity Emergency Fund (CRCEF) and the timing of other payments.

Operating expenditures

Personnel expenditures (includes contributions to employee benefit plans (EBP)) have increased by \$1.3 million compared to the same period of the previous year, due mainly to operational requirements of new initiatives implemented by SSHRC during the current fiscal year, in the context of equity, diversity and inclusion (EDI) and Indigenous research, and to increased resources to support the growth of existing tri-agency programs such as the New Frontiers in Research Fund (NFRF).

Total non-personnel expenditures as of the second quarter of fiscal 2021-22 are largely in line with the comparative period of the previous year. In addition to a slight increase in communications related expenses in the context of the initiatives mentioned in the previous paragraph, 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).

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Total authorities used at the end of the second quarter of fiscal 2021-22 (\$462.0 million) represent 46% of total available authorities (\$1.0 billion).

Quarterly spending

The total authorities used during the second quarter of fiscal year 2021-22 amounted to \$372.8 million (37.0% of the total available authorities; 37.5% of total authorities for grant and scholarship programs; and 24.5% 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 EBP) 8.1
 Non-personnel 1.5

Vote 5 - Grant and scholarship

Total budgetary expenditures

	2021-22	2020-21	Variance
Personnel (includes contributions to EBP)	8.1	7.4	0.7
Non-personnel	1.5	1.3	0.2
Vote 5 - Grant and scholarship	363.2	649.1	(285.9)
Total budgetary expenditures	372.8	657.8	(285.0)

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 second quarter of fiscal year 2021-22, SSHRC's transfer payment expenditures have decreased by \$285.9 million compared with the same quarter of the previous fiscal year.

The decrease is mainly due to spending of \$272.1 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.

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Operating expenditures

Personnel expenditures (includes contributions to EBP) for the second quarter of fiscal 2021-22 have increased by \$0.7 million compared to the comparative period of fiscal 2020-21. This increase is mainly due to operational requirements of new initiatives implemented by SSHRC in the context of equity, diversity and inclusion (EDI) and Indigenous research, and to increased resources to support the growth of existing tri-agency programs such as the New Frontiers in Research Fund (NFRF).

Total non-personnel expenditures for the second quarter of fiscal 2021-22 have remained in line with expenses incurred during the same period of the previous fiscal year. There was a slight increase in communication costs for SSHRC initiatives and a slight increase in the acquisition of equipment for the Workplace Renewal project.

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 that 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, which 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 the 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 announced as part of Budget 2021, SSHRC will administer \$12 million over three years, starting in 2021-22, to support community-based research conducted through the Race, Gender and Diversity Partnership Fund. This increased funding will specifically target community-based research to improve the understanding of the causes of discrimination, the impact of oppression and identify strategies to support justice, equality and accountability. Budget 2021 also included \$250 million over four years, starting in 2021-22, for the federal research granting agencies to create the Canada Biomedical Research Fund, a tri-agency program to be administered by SSHRC on behalf of the three federal research funding agencies: The Canadian Institutes of Health Research, NSERC and SSHRC. The fund will enhance Canada’s foundational biomanufacturing excellence and pandemic readiness by developing the research and development and talent pipeline that drives downstream biomanufacturing capacity. It is a key component of the Government of Canada’s Biomanufacturing and Life Sciences Strategy.

On July 5th, 2021, Dominique Osterrath joined our organization after her appointment as chief financial officer and vice-president, Common Administrative Services Directorate, for SSHRC and NSERC.

Approved by:

Ted Hewitt, PhD
President

Dominique Osterrath
Vice-President and Chief
Financial Officer

Ottawa, Canada
November 29, 2021

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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 September 30, 2021	Year-to-date used at quarter- end	Total available for use for the year ending March 31, 2021*	Used during the quarter ended September 30, 2020	Year-to-date used at quarter-end
<i>(in thousands of dollars)</i>						
Vote 1—Operating Expenditures	35,488	8,710	16,858	27,865	7,491	14,905
Vote 5—Grants and Scholarships	967,689	363,221	443,258	704,670	376,954	426,232
Budgetary Statutory Authorities						
Contributions to the employee benefit plan	3,735	913	1,830	3,735	877	1,810
Spending of revenues pursuant to subsection 4 (2) of the <i>Social Sciences and Humanities Research Council Act</i>	95	-	-	95	-	-
Payments related to Public Health Events of National Concern and income support	-	-	-	500,700	272,498	272,498
Total Budgetary Authorities	1,007,007	372,844	461,946	1,237,065	657,820	715,445

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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 September 30, 2021	Year-to-date used at quarter-end	Planned expenditures for the year ending March 31, 2021	Expended during the quarter ended September 30, 2020	Year-to-date used at quarter-end
<u>Expenditures</u>						
Personnel	28,880	8,103	16,156	23,130	7,448	14,885
Transportation and communications	248	39	95	1,317	39	56
Information	916	179	326	1,044	119	199
Professional and special services	5,720	910	1,465	4,890	982	1,532
Rentals	1,328	171	379	502	125	360
Repair and maintenance	64	21	56	57	7	12
Utilities, materials and supplies	89	11	21	55	11	16
Acquisition of land, buildings and works	-	-	-	127	-	-
Acquisition of machinery and equipment	2,073	169	170	929	28	47
Other subsidies and payments	-	20	20	34	-	(2)
Transfer payments	967,689	363,221	443,258	1,204,980	649,061	698,340
Total Budgetary Expenditures	1,007,007	372,844	461,946	1,237,065	657,820	715,445