

**Social Sciences and Humanities Research Council of Canada**

**Quarterly Financial Report**

**for the Quarter Ended June 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.

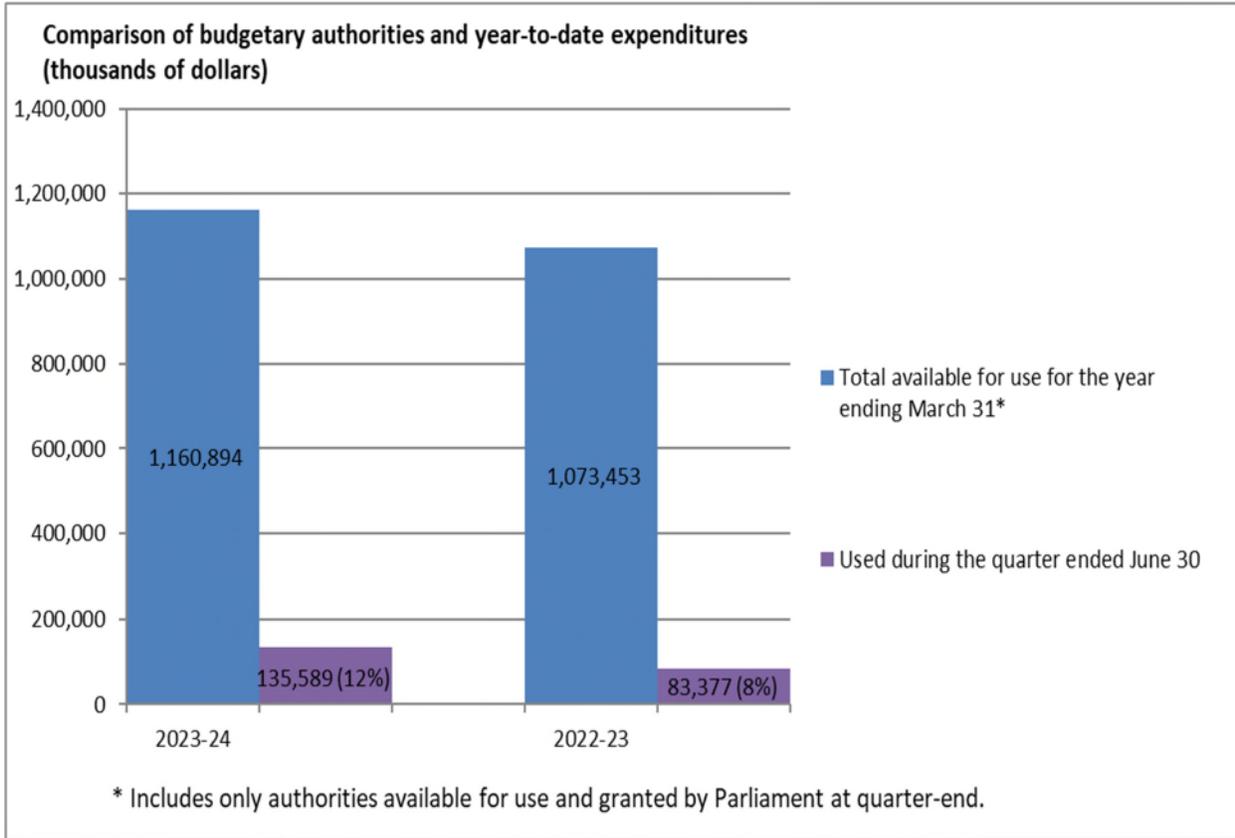
SSHRC uses the full accrual method of accounting to prepare and present its annual financial statements that are part of the departmental results reporting process. However, the spending authorities voted by Parliament remain on an expenditure basis.

### **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.

**Social Sciences and Humanities Research Council of Canada**  
**Quarterly Financial Report**  
**for the Quarter Ended June 30, 2023**



**2.1 Significant changes to budgetary authorities**

As of June 30, 2023, SSHRC’s total available authorities for fiscal 2023-24 amounted to \$1.161 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;

**Social Sciences and Humanities Research Council of Canada**  
**Quarterly Financial Report**  
**for the Quarter Ended June 30, 2023**

- 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;
- 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 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
<b>Vote 1—Operating expenditures</b>			
Personnel (includes contributions to employee benefit plans)	9.7	8.5	1.2
Non-personnel	1.0	1.1	(0.1)
<b>Vote 5—Grants and scholarships</b>	124.9	73.8	51.1
<b>Total budgetary expenditures</b>	<b>135.6</b>	<b>83.4</b>	<b>52.2</b>

Total budgetary expenditures amounted to \$135.6 million at the end of the first quarter of fiscal 2023-24, compared to \$83.4 million reported in the same period in the previous fiscal year.

### Grants and scholarships

At the end of the first quarter of fiscal 2023-24, grant and scholarship expenses increased by \$51.1 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.

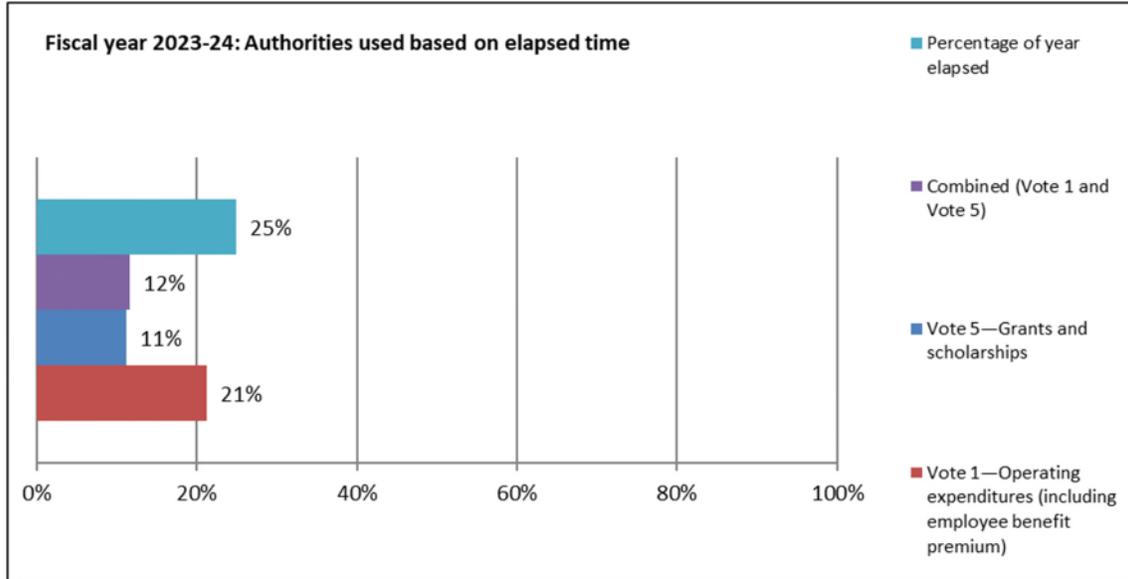
### Operating expenditures

Personnel expenditures, which include contributions to employee benefit plans (EBPs), have increased by \$1.2 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 first quarter of fiscal 2023-24 have remained largely in line with the comparative period in the previous fiscal year. There was a decrease in the acquisition of machinery and equipment related to the workplace renewal project, as well as a decrease in professional and special

**Social Sciences and Humanities Research Council of Canada**  
**Quarterly Financial Report**  
**for the Quarter Ended June 30, 2023**

services, due to lower use of management consulting services. This was partially offset by 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 by an increase in information expenditures related to publication services. See the Departmental budgetary expenditures by standard object table in Section 6 for details.



Total authorities used at the end of the first quarter of fiscal 2023-24 (\$135.6 million) represent 12% of total available authorities (\$1.161 billion).

**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.

**Social Sciences and Humanities Research Council of Canada**  
**Quarterly Financial Report**  
**for the Quarter Ended June 30, 2023**

**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—Managing 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](#).

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

In January 2023, Sylvie Lamoureux was appointed as SSHRC's new vice-president (Research). Sylvie joined SSHRC from the University of Ottawa, where she served most recently as associate vice-provost, Graduate and Postdoctoral Studies. She is an accomplished scholar and educator. Through her work as professor and research chair at the University of Ottawa's Faculty of Arts Official Languages and Bilingualism Institute and Faculty of Education, she has contributed significantly to research in French language education, second language teaching, and bilingualism studies. Her consulting work with governments, commissions and school boards has also informed language policy and planning directly throughout Canada.

In March 2023, the Advisory Panel on the Federal Research Support System's report was publicly released. As the ministers consider the panel's recommendations, the three federal research funding agencies remain committed to working in close collaboration, and with their partners in government and other key stakeholders, to support research excellence across all disciplines and strengthen the impact of Canada's research capacity for the benefit of Canadians, in accordance with their legislated mandates and operational responsibilities. The panel, composed of leaders from the science, research and innovation ecosystem, was convened to provide independent, expert policy advice on the structure, governance and management of the federal system supporting research and talent, including the relationship among the federal research funding agencies and relationship between these agencies and the Canada Foundation for Innovation.

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 light of this information, and in alignment with the guidance provided by the Treasury Board Secretariat and Department of Finance.

SSHRC implemented a common hybrid-work model, of remote working up to three days per week (i.e., minimum of two days per week on site). Recognizing that the building and technological readiness at SSHRC's new headquarters are not yet optimal, the agency applied an extended period of time to

**Social Sciences and Humanities Research Council of Canada**  
**Quarterly Financial Report**  
**for the Quarter Ended June 30, 2023**

reintegrate onsite work, as well as a gradual approach to returning to the workplace on a regular basis, in hybrid fashion, with full implementation by end of June 2023. This approach gave time to experiment with different models of work and adapt to the technology and space.

On April 1, 2023, SSHRC transitioned away from Freebalance, its previous financial system, to System Applications and Products in Data Processing (widely known as SAP). SSHRC has joined a cluster of other government departments hosted and serviced on SAP by the Treasury Board Secretariat.

Original signed by:

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

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

Ottawa, Canada  
August 29, 2023

**Social Sciences and Humanities Research Council of Canada**  
**Quarterly Financial Report**  
**for the Quarter Ended June 30, 2023**

**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 June 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 June 30, 2022	Year-to-date used at quarter-end
Vote 1—Operating expenditures	45,099	9,464	9,464	39,803	8,529	8,529
Vote 5—Grants and scholarships	1,110,480	124,883	124,883	1,029,373	73,806	73,806
Budgetary statutory authorities						
Contributions to the employee benefit plan	5,207	1,242	1,242	4,169	1,042	1,042
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>1,160,894</b>	<b>135,589</b>	<b>135,589</b>	<b>1,073,453</b>	<b>83,377</b>	<b>83,377</b>

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

**Social Sciences and Humanities Research Council of Canada**  
**Quarterly Financial Report**  
**for the Quarter Ended June 30, 2023**

**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 June 30, 2023	Year-to-date used at quarter-end	Planned expenditures for the year ending March 31, 2023	Expended during the quarter ended June 30, 2022	Year-to-date used at quarter-end
<b><u>Expenditures</u></b>						
Personnel	38,781	9,730	9,730	31,962	8,483	8,483
Transportation and communications	656	116	116	523	37	37
Information	1,604	228	228	1,390	153	153
Professional and special services	6,407	423	423	7,173	490	490
Rentals	1,233	179	179	1,526	228	228
Repair and maintenance	115	3	3	140	36	36
Utilities, materials and supplies	65	23	23	84	42	42
Acquisition of machinery and equipment	1,519	4	4	1,114	103	103
Other subsidies and payments	34	-	-	168	(1)	(1)
Transfer payments	1,110,480	124,883	124,883	1,029,373	73,806	73,806
<b>Total budgetary expenditures</b>	<b>1,160,894</b>	<b>135,589</b>	<b>135,589</b>	<b>1,073,453</b>	<b>83,377</b>	<b>83,377</b>