

**Social Sciences and Humanities Research Council of Canada**  
**Quarterly Financial Report**  
**For the Quarter Ended June 30, 2018**

## **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 2018-19 [Main Estimates](#). 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 for fiscal 2018-19. 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.

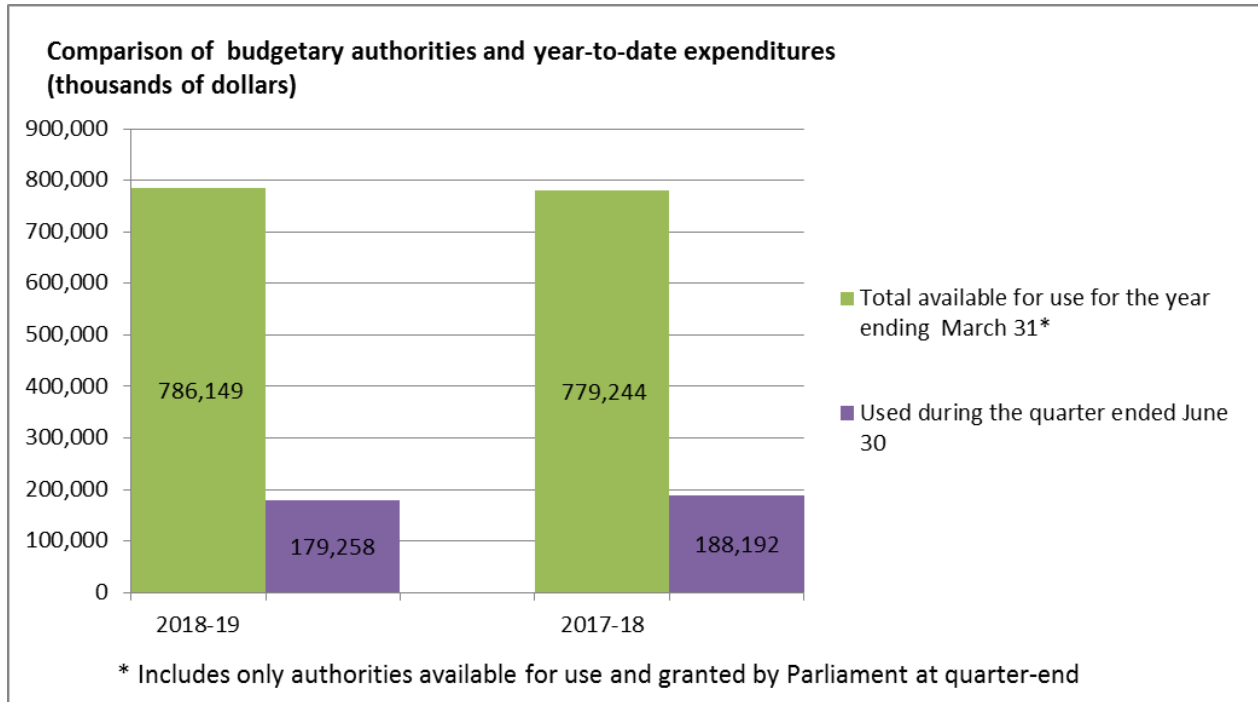
SSHRC uses the full accrual method of accounting to prepare and present its annual financial statements that are part of the departmental performance reporting process. However, the spending authorities voted by Parliament remain on an expenditure basis.

### **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 and quarterly 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 2018-19 and fiscal 2017-18.

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## 2.1 Significant changes to budgetary authorities

As of June 30, 2018, SSHRC's total available authorities for fiscal 2018-19 amounted to \$786.1 million. This represents an overall increase of \$6.9 million (0.89 per cent) 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 \$5.5 million in the Canada First Research Excellence Fund, a tri-agency initiative to help institutions excel globally in research areas that create long-term economic advantages for Canada;
- an investment of \$4.2 million in the Canada 150 Research Chairs, a new grant program created to attract international scholars and researchers who are among the top five to 10 per cent in their fields and enhance Canada's reputation as a global centre for innovation, science and research excellence;
- a decrease of \$3.1 million in the College and Community Social Innovation Fund to support social innovation research projects at colleges and polytechnics;
- a decrease of \$0.5 million in the Business-Led Networks of Centres of Excellence that bring together, academic and private sector experts; and
- An increase of \$0.8 million for negotiated salary adjustments.

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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)

	<b>2018-19</b>	<b>2017-18</b>	<b>Variance</b>
<b>Vote 1 - Operating expenditures</b>			
Personnel	5.6	5.2	0.4
Non-personnel	0.8	0.9	<b>(0.1)</b>
<b>Vote 5 - Grants and scholarships</b>	172.9	182.1	<b>(9.2)</b>
<b>Total budgetary expenditures</b>	<b>179.3</b>	<b>188.2</b>	<b>(8.9)</b>

Total budgetary expenditures amounted to \$179.3 million at the end of the first quarter of fiscal 2018-19, compared to \$188.2 million reported in the same period in the previous fiscal year.

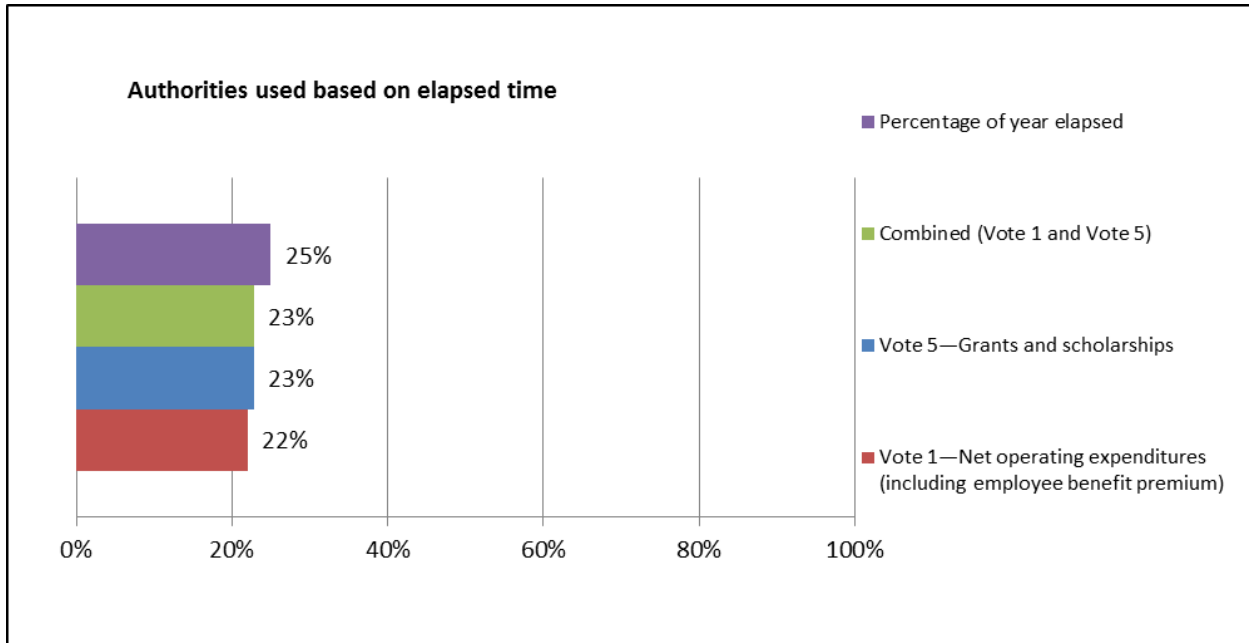
**Grants and scholarships**

At the end of the first quarter of 2018-19, the grant and scholarship expenses decreased by \$9.2 million, compared to what was reported in the same period of the previous fiscal year. The decrease is mainly due to timing difference and will be offset by year-end.

**Operating expenditures**

Operating expenditures for the first quarter of fiscal 2018-19 are in line with the same period of the previous year.

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Total authorities used during the first quarter of fiscal 2018-19 (\$179.3 million) represent 23 per cent of total available authorities (\$786.1 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 that the residual risk level is acceptable.

#### 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 grants management system development, the integration of and support to the newly created [Canada Research Coordinating Committee](#) (CRCC) and the government's implementation of key actions emerging from Canada's Fundamental Science Review and the Indigenous Research Strategy. SSHRC uses its corporate governance structures and relies on key planning documents, such as the strategic plan and the Departmental Results Framework, to ensure strong oversight of SSHRC's achievement of results. The substantial increase in SSHRC grants dollars announced in Budget 2018 creates an opportunity to demonstrate how SSHRC can efficiently deliver on crucial and fundamental themes for the benefit of a strong research ecosystem.

#### Strategic risk 2- Ability to manage change:

Planned activities in support of SSHRC objectives are vulnerable to the management of change. SSHRC has a number of key commitments for 2018-19, including new technologies, evolving tri-agency governance structures, new collaborations and partnerships, new program directions, new government

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priorities and new members of SSHRC's governing council. To ensure successful completion and minimize unintended impacts on other projects and on operations, SSHRC continues to implement the People Strategy, the Performance Management Program, and other strategies to help ensure the appropriate development of employees in a changing work environment. In addition, SSHRC includes a change management component in most major projects.

**Strategic Risk 3- Ability to meet external stakeholder expectations:**

Management of stakeholder relations is a critical driver of SSHRC's success. To ensure effective management of diverse stakeholder relationships, SSHRC created the SSHRC Leaders, a group of institutional representatives. SSHRC Leaders provide an ongoing channel of communication between their institutions and SSHRC. The initiative helps all parties stay informed of developing issues, and mitigates the risk of misalignment with stakeholders' priorities and values.

In addition, the [open letter to CRCC members](#) highlighted the need to improve and increase coordination between all players in the research ecosystem. To address this, SSHRC has participated in the preliminary analysis of business processes to identify areas for harmonization and shared systems between itself and the Canadian Institutes of Health Research (CIHR) and the Natural Sciences and Engineering Research Council of Canada (NSERC) (the agencies). A main objective of these analyses is to lead the agencies to a shared, harmonized grants management system.

Read more about [SSHRC's key strategic risks](#) for the current year.

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

In Budget 2018, the Government of Canada announced historic new investments in science, technology and innovation, including more than \$1.7 billion over five years to support the next generation of Canadian researchers through Canada's granting agencies and research institutes. SSHRC funding announced in the federal budget entails:

- \$215.5 million over five years (\$54.8 million per year ongoing) to support fundamental research;
- \$275 million over five years (\$65 million per year ongoing) to a new tri-agency fund, to support international, interdisciplinary, fast-breaking and high-risk research. SSHRC will administer the fund on behalf of the agencies;
- \$231.3 million over five years (\$58.8 million per year ongoing) to the Research Support Fund, which SSHRC administers on behalf of the agencies, to ensure that researchers are provided with the necessary space and support at postsecondary institutions to undertake high-quality, multidisciplinary research;
- \$46 million over five years for the Canada Research Chairs Program; and
- \$3.8 million to develop a strategic plan that identifies new ways of doing research with Indigenous communities, including strategies to grow the capacity of Indigenous communities to conduct research and partner with the broader research community.

The data discussed throughout this QFR does not include the Budget 2018 amounts presented above.

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In June 2018, the Honourable Kirsty Duncan, minister of Science and Sport, met the CRCC to outline her expectations for transformative change in the research community. The minister launched the CRCC in October 2017 to deliver on priorities that include:

- bringing greater harmony and coordination to research-related programs and policies in Canada and addressing common concerns across the agencies and the Canada Foundation for Innovation (CFI);
- improving equity, diversity and inclusion across the research spectrum; and
- developing, in partnership with Indigenous communities, an interdisciplinary Indigenous research and training model that contributes to reconciliation with First Nations, Métis and Inuit.

The committee consists of:

- the president of SSHRC;
- the president of NSERC;
- the president of CIHR;
- the president the CFI;
- the president of the National Research Council Canada;
- the chief science advisor;
- the deputy minister of Health Canada; and
- the deputy minister of Innovation, Science and Economic Development Canada.

Approved by:

Original signed by

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

**Ottawa, Canada**  
**August 29, 2018**

Original signed by

**Patricia Sauvé-McCuan**  
**Vice-President and Chief**  
**Financial Officer, SSHRC**

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

	Fiscal year 2018-19			Fiscal year 2017-18		
	Total available for use for the year ending March 31, 2019*	Used during the quarter ended June 30, 2018	Year-to-date used at quarter- end	Total available for use for the year ending March 31, 2018*	Used during the quarter ended June 30, 2017	Year-to-date used at quarter-end
<i>(in thousands of dollars)</i>						
Vote 1—Net Operating Expenditures	26,186	5,663	5,663	24,768	5,403	5,403
Vote 5—Grants and Scholarships	756,933	172,861	172,861	751,815	182,148	182,148
Budgetary Statutory Authorities						
Contributions to the employee benefit plan	2,935	734	734	2,566	641	641
Spending of revenues pursuant to subsection 4 (2) of the <i>Social Sciences and Humanities Research Council Act</i>	95	-	-	95	-	-
<b>Total Budgetary Authorities</b>	<b>786,149</b>	<b>179,258</b>	<b>179,258</b>	<b>779,244</b>	<b>188,192</b>	<b>188,192</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)**

	Fiscal year 2018-19			Fiscal year 2017-18		
	Planned expenditures for the year ending March 31, 2019	Expended during the quarter ended June 30, 2018	Year-to-date used at quarter-end	Planned expenditures for the year ending March 31, 2018	Expended during the quarter ended June 30, 2017	Year-to-date used at quarter-end
<i>(in thousands of dollars)</i>						
<b>Expenditures</b>						
Personnel	22,291	5,587	5,587	18,959	5,193	5,193
Transportation and communications	1,236	214	214	1,474	135	135
Information	1,101	115	115	1,297	150	150
Professional and special services	3,314	254	254	3,243	298	298
Rentals	702	180	180	720	201	201
Repair and maintenance	69	2	2	135	19	19
Utilities, materials and supplies	68	32	32	101	32	32
Acquisition of machinery and equipment	409	13	13	1,500	16	16
Other subsidies and payments	26	-	-	-	-	-
Transfer payments	756,933	172,861	172,861	751,815	182,148	182,148
<b>Total Budgetary Expenditures</b>	<b>786,149</b>	<b>179,258</b>	<b>179,258</b>	<b>779,244</b>	<b>188,192</b>	<b>188,192</b>