



THE INSIGHT TO INNOVATE



Social Sciences and Humanities
Research Council of Canada

Conseil de recherches en
sciences humaines du Canada

2011 2012



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Innovation has become the keyword of our global information age. Fresh thinking to deal with complexity. New perspectives to embrace and make the most of our diversity. The creativity to solve social challenges, secure economic advantages, and achieve sustainability for the sake of future generations.

Innovation comes from knowledge—deep understanding not only of *things*, but also, and more importantly, of *people*. How we behave. Our needs and motivations.

Social sciences and humanities research is focused exactly on this people-centred approach to innovation. It sparks new ways of looking at problems, seizing opportunities and building successful, productive, prosperous societies.

By cultivating the talent to produce these kinds of insights, and by forging the connections to share them with governments, companies, communities and other end users, the Social Sciences and Humanities Research Council (SSHRC) is helping Canada not only meet its own innovation needs, but also to stand out as a leader on the world stage.



MESSAGE FROM THE PRESIDENT

History shows that the most successful societies have flourished because they had the same qualities that are needed in today's complex world: nimbleness, flexibility and adaptability—all informed by insights into the past and present.

What is new today is an enhanced appreciation of the value of knowledge about human beings. Educators are re-inventing schools based on new research about learning and on enriched curriculum resources. Companies are re-orienting their operations and marketing in light of unprecedented research on consumer preferences and behaviour. Communities are revising their transportation routes, housing plans and zoning laws in response to better understandings of families and households.

The success of such innovations depends on enhanced insights about people—about our thinking, our behaviour, our decision-making. Indeed, leaders across society are increasingly convinced that only by understanding ourselves and others—and the conditions that surround us—can we confidently negotiate complex challenges and opportunities, develop innovative responses to them, and shape the future that we envision.

The renewed program architecture we continued to implement last year at SSHRC has streamlined our operations—moving from 30 separate programs to three umbrella programs—and has embraced the full range of creative and innovative approaches to research and research training. This work has also given us the opportunity to strengthen our governance practices, and to engage with both those on and beyond our campuses.

By focusing on developing **Talent**, generating **Insight** and forging **Connections** across campuses and communities, SSHRC strategically supports world-leading initiatives that reflect the federal government's commitment to ensuring Canada's future well-being through innovation based on increased knowledge from the social sciences and humanities.

Given the tremendous effort in developing and implementing SSHRC's program architecture, I was particularly gratified when SSHRC received an IPAC/Deloitte Public Sector Leadership Award in February 2012 for this work, making it the only federal government agency or department to receive such recognition this year.

Producing top-calibre research demands a rigorous selection process. SSHRC's process has been recognized as one of the best in the world—a testament to the in-kind contributions of expert reviewers and assessors from across Canada and around the world. We are deeply grateful for their collaboration.

In closing, I would like to thank the entire team at the Council for their outstanding accomplishments during the past year. In particular, I would like to thank our outgoing executive vice-president, Carmen Charette, who is a passionate champion of research in Canada. During the past five years, her talent and dedication have contributed magnificently to our work.

This coming year, we will continue our Imagining Canada's Future initiative, looking ahead at what may be in store for Canada and the world over the coming decades, and at how insights into human thought and behaviour can help lead to a better future. We look forward to your continued engagement as we seek to help build prosperous, resilient and just societies in the rapidly changing 21st century.



Chad Gaffield

PRESIDENT
SOCIAL SCIENCES
AND HUMANITIES
RESEARCH COUNCIL



MESSAGE FROM THE CHAIR OF THE GOVERNING COUNCIL

Over the past year, SSHRC has done what it set out to do: namely, take a lead role in delivering and communicating the benefits of social sciences and humanities research to Canada and the world.

I and my fellow members of the governing council are very pleased with SSHRC's accomplishments over the course of 2011–12. In implementing its renewed program architecture, SSHRC set some ambitious goals for itself—and fulfilled them. It has streamlined its approach to funding and opened the door to innovative ways of carrying out its mandate of promoting and supporting postsecondary-based research and training in the humanities and social sciences.

The governing council has benefited from this process as well. Since 2006, in fact, SSHRC has taken significant steps to strengthen its corporate governance and management structures and practices. The structure of the governing council is now aligned with international best practices, the structure and mandates of the organization's management committees have been renewed, its internal audit capacity is stronger, and it now has a People Strategy to guide the management of its human resources.

All of these changes bolster the organization and increase its capacity to focus on the important task of encouraging innovation through social sciences and humanities research in order to deliver all manner of benefits to Canadians—social, economic, environmental, cultural and technological.

This report includes select examples of those innovations and their benefits: from a building-sized *camera obscura* on the shore of the Bay of Fundy that provides visitors with a unique view of the natural environment to a multi-media project in the North that has connected Inuit youth with their heritage and equipped them with critical digital-era skills in the process. Projects like these deepen our knowledge of specific issues, yield particular insights and—at the same time—contribute to Canada’s capacity for innovation for the longer term.

Every member of the SSHRC team deserves congratulations for the organization’s performance in 2011–12, but I must give particular acknowledgement to president Chad Gaffield for his sound and strategic leadership. It is precisely because of that leadership that his term as president has been renewed for another five years.

Going forward, the governing council will continue to ensure that SSHRC carries out its role as an investor of public funds in social sciences and humanities research wisely, responsibly and transparently on behalf of all Canadians.



Thomas Kierans

VICE-PRESIDENT AND
CHAIR OF COUNCIL
SOCIAL SCIENCES
AND HUMANITIES
RESEARCH COUNCIL







FROM KNOWLEDGE

The foundation for all innovation is knowledge—our understanding of people, institutions, systems and what makes them tick. A core component of SSHRC's program architecture is to actively develop the talent in Canada to generate that knowledge—people with the curiosity and determination to ask unexpected questions and produce invaluable answers.

CULTIVATING TALENT

SSHRC's Talent program focuses on developing the research skills and qualifications of graduate students and postdoctoral fellows, in order to strengthen the next generation of leaders within academia and across the public, private and not-for-profit sectors. The ultimate goal is to produce talented, creative contributors to Canada's success in the globalized 21st century.

As part of the renewal of its program architecture, SSHRC undertook extensive consultation with key stakeholders across sectors to develop a new framework for its Talent program. Approved by SSHRC's governing council in March 2012, the framework centres on four key changes: adopting a consistent approach to research training across the Talent, Insight and Connection programs; expanding partnership opportunities to support research training; undertaking a series of changes to the programs to directly support students and postdoctoral researchers; and taking deliberate steps to harmonize tri-agency funding opportunities over the next three years. The consultation process also involved hearing the views of employers regarding trends in the demand for highly qualified personnel, and on the kinds of skills needed for success in today's labour market. Key conclusions of the exercise noted that the demand for social sciences and humanities-related skills and competencies is high in all sectors of the business community. For example, sector leaders noted that training in research techniques is important because jobs are increasingly data- and information-intensive. Also valued are "soft skills", such as teamwork and the ability to communicate clearly, which are often acquired via training in the humanities and social sciences.

Among the tri-agency funding opportunities delivered by SSHRC with the Natural Sciences and Engineering Research Council (NSERC) and the Canadian Institutes of Health Research (CIHR) are the Banting Postdoctoral Fellowships

Program—which last year held its first competition to attract top-tier postdoctoral talent—and the Vanier Canada Graduate Scholarships program for doctoral students. The Right Honourable Stephen Harper, Prime Minister of Canada, was on hand at the August ceremony to announce the 2011 Vanier scholarship recipients. Additional tri-agency funding opportunities include the master's and doctoral Canada Graduate Scholarships (CGS) and the CGS Michael Smith Foreign Study Supplements. Last year, SSHRC awarded 1,300 CGS master's scholarships and 561 CGS doctoral scholarships. Michael Smith supplements were given to 129 social sciences and humanities students in 2011-12.

ADVANCING RESEARCH THROUGH TRI-AGENCY FUNDING

SSHRC administers the Canada Excellence Research Chairs, Canada Research Chairs and Indirect Costs programs on behalf of the three federal research funding agencies—SSHRC, NSERC and CIHR. Together, these programs make up an important part of the federal science and technology strategy by attracting world-renowned researchers in the social sciences, humanities, engineering, health sciences and natural sciences to Canadian universities and colleges. They also increase our national research capacity, keep research jobs in Canada, and ensure the maintenance of world-class research facilities.

The Indirect Costs Program helps Canadian postsecondary institutions with the ancillary costs of research through the provision of grants. It is administered by SSHRC through the Chairs Secretariat, on behalf of SSHRC, NSERC and CIHR.

EXPANDING THE RESEARCH CIRCLE

To reach out fully to Canada's talent base, SSHRC also supported collaborative research between community colleges and local businesses through the College and Community Innovation Program. This aligns with the federal government's 2007 science and technology strategy, which included Canada's colleges, institutes and polytechnics in its consideration of the country's research and development ecosystem. With their practical, community-based focus, colleges are not only excellent sources of real-world innovations, but also hands-on training grounds for the next generation of researchers.

MEASURING OUR PERFORMANCE

To assess its impact, SSHRC conducts numerous studies and evaluations of its funding programs. Last year, the Council conducted or commissioned:

- an evaluation of SSHRC's prizes and special research fellowships;
- a study of labour market outcomes of social sciences and humanities graduates;
- a survey of scholarship and fellowship awardees;
- an evaluation of the SSHRC Postdoctoral Fellowships funding opportunity; and
- an analysis of 2010-11 research reports submitted by SSHRC-funded researchers.

The executive summaries of the evaluations and corresponding management responses will be available on SSHRC's website (www.sshrc-crsh.gc.ca).





FEATURED ALUMNUS JACK MINTZ

Internationally renowned economist and public policy expert Jack Mintz explains the social sciences and humanities' value to Canadian society, and how SSHRC's support contributed to the development of his career

One of the most important contributions of the social sciences and humanities is critical thinking. The ability to challenge basic assumptions and think through consequences with empirical support is the stuff that makes decision-making better. Particularly, group thinking can sometimes be very harmful, as we saw in the lead-up to the financial crisis of 2008-09. It is important that we always challenge our beliefs with new information; SSHRC's investment in leading Canadian research allows this to happen.

The Council's funding has helped my career at three crucial steps: firstly, a SSHRC master's scholarship enabled me to receive my first graduate training in economics; secondly, I received doctoral support while completing my PhD at the University of Essex before returning home as a professor at Queen's University; and, lastly, as an academic, several SSHRC grants enabled me to complete research published in top international journals. The prestige and support of SSHRC funding boosted my career and that led to the development of many policy ideas adopted by governments in later years.

Jack M. Mintz

*Director and Palmer Chair in Public Policy,
School of Public Policy, University of Calgary,
and SSHRC council member*



CULTIVATING A DIGITAL CULTURE

Nanisivik: Arviat History Project
Frank J. Tester

How do you preserve a thousands-of-years-old oral culture and ensure its traditions are passed down to the next generation? If you are the people of Arviat, Nunavut, the answer lies in digital media—in particular, through the Nanisivik Arviat History Project. University of British Columbia professor Frank Tester led a SSHRC-funded project that trained local youth to work with digital tools—from video cameras to the web, Facebook and Twitter—and had them record conversations with elders about the history and traditional knowledge of their people. “You cannot have a healthy, productive population that contributes to the economy if those people don’t have a grounded sense of who they are,” says Tester. Blending Inuktitut and English, the project connected the youth to their heritage and equipped them with practical, transferable research and media production skills.

“These students have come away with skills they’ll be able to apply in their education and careers, from filmmaking to translation between Inuktitut and English. We’ve had interest from other communities wanting to know how they can do a project like this. It’s a replicable model.”

Jamie Bell
Public Affairs Officer, Nunavut Arctic College



ARCHITECTS OF THE FUTURE

Building Innovation on the Rural Coast
Ted Cavanagh

It's a curious sight on the salt marsh in Cheverie, Nova Scotia: an arch-shaped structure serving as a giant *camera obscura* for viewing the wetland and tides in the Bay of Fundy. The work of a team of graduate students led by Dalhousie University professor Ted Cavanagh, it combines new, traditional and sometimes forgotten techniques. It also uses local materials: Kevin McGinnis of Shaw Brick, whose clay brick was used in the project, says, "It's exciting to see students working with our products in unique ways." Of SSHRC's funding, Professor Cavanagh notes, "It has given us the chance not just to theorize, but to get out and test hypotheses—to think while doing." With a real-world opportunity to experiment and problem-solve, students are deepening their skills as Canada's next generation of architectural thought leaders.

"Young people in rural communities don't often have the opportunity to see projects like this. The site's architecture enhances human engagement with an important piece of nature and inspires young people with a unique exposure to science at work."

The Honourable Kelvin Ogilvie
Senator for Annapolis Valley-Hants, Nova Scotia





COMES THE INSIGHT TO INNOVATE

It is true in research as it is in any other aspect of life: the value of knowledge lies in what you do with it. The second key dimension of SSHRC's approach is supporting the pursuit of insights that produce innovations with the potential to improve the quality of our lives—and to strengthen the promise of our future.

COMES THE INSIGHT TO INNOVATE

RESEARCH EXCELLENCE, REAL-WORLD BENEFITS

As part of its program architecture renewal, SSHRC launched its Insight program in 2010. The first funding opportunity launched under Insight was the Insight Development Grants opportunity, which drew 630 applications and resulted in 246 grants in its inaugural 2011-12 competition. It was followed by the first Insight Grants competition, which attracted 1,799 applications, with 486 grants awarded.

With a focus on generating new knowledge, grants through SSHRC's Insight program often span disciplines and sectors to tackle questions that transcend any single area of study. They also aim to provide a high-quality research training experience for students, in alignment with SSHRC's talent-development priorities—and to, ultimately, “mobilize” research knowledge, delivering it to users to affect intellectual, cultural, social and economic change. The program consists of two types of grants: Insight Development Grants, which support research in its initial stages, enable the development of new research questions and create opportunities for experimentation with new methods, theoretical approaches and ideas. Insight Grants provide funding for emerging and established scholars to conduct their research.

STIMULATING INNOVATION, PROTECTING THE PUBLIC

Research and development (R&D) is a cornerstone of innovation—and a significant portion of Canada's R&D is performed in the higher education sector. This can lead to the question: To what extent does the research performed in Canada's universities and colleges contribute to innovation? What mechanisms can facilitate links between university and college-based research and innovation in other sectors? With these questions in mind, Industry Canada partnered with SSHRC in 2011 to see what recent research on innovation could be marshalled to inform innovation policy. The initiative included 14 competitively awarded Knowledge Synthesis Grants focused on synthesizing the latest research on leveraging higher education research and development

to stimulate innovation. The goal was to identify promising practices from Canada and abroad to benefit ongoing discussion on Canadian science and innovation policy.

The Knowledge Synthesis Grants are one of many examples of SSHRC's role in funding research that informs public policy. Another such example is a collaborative, multiyear initiative with Public Safety Canada to gain greater understanding of the phenomenon of terrorism and the best approaches to addressing it.

INSIGHT INTO THE FUTURE

In June 2011, SSHRC initiated Imagining Canada's Future, a forward-looking project that aims to identify key future challenges for Canada in an evolving global context through engagement with academic, public, private and not-for-profit sector partners. The project is scheduled to take place from fall 2011 to spring 2013 and involves a number of interrelated activities. Similar research-oriented foresight exercises are currently taking place around the world, and Imagining Canada's Future will draw on these. Once the future challenge areas have been identified, and then reviewed, selected and approved by SSHRC's governing council, they will be integrated, as appropriate, within SSHRC's Talent, Insight and Connection programs in order to stimulate research and research-related activities in these areas.



FEATURED ALUMNA JULIE SELF

Public consultation advisor with the Government of Alberta's Department of Environment and Sustainable Resource Development, Julie Self explains her work on water and intergovernmental initiatives, and how SSHRC's support contributed to the development of her career.

Water security is, and will continue to be, key to our quality of life. As populations grow and nations industrialize, more and more people become dependent on a finite supply of water resources. Increasingly, it is being recognized that the water management challenges of today are complex and cannot be solved with scientific and engineering solutions alone; societal values and interests are very much at play, and require frameworks for their understanding, evaluation, and ultimate consideration in solutions.

Social sciences provide perspectives integral to the effective navigation of water management challenges.

SSHRC funding allowed me to pursue the graduate program in International Development Studies at Saint Mary's University—a program committed to solid social science research. While conducting research in low-income, peri-urban communities in Zambia, I was able to experience water scarcity challenges first-hand and to see the importance of considering the social and economic elements in water management. The perspectives gained during that program and during my field research continue to strongly inform how I approach issues as a public consultation advisor on water policy with the Government of Alberta.

Julie Self

Engagement specialist, Strategic Relationships and Engagement Branch, Alberta Environment and Sustainable Resource Development



IDENTITY IS IMPORTANT

Promoting Literacy, Particularly Among Marginalized Groups
James P. Cummins

Professor James Cummins wants to flip on its head the old notion that Canadian students have to master English or French before they can even think of being academically successful. Encouraging schools to see themselves as the multilingual environments they truly are, Cummins is exploring ways to help kids develop “identities of competence”—by incorporating their first languages and home cultures into classroom activities. “This is an approach to teaching that provides all children in Canada with the best chance of thriving academically. SSHRC funding has given me the opportunity to pursue this research that has global implications,” he says. Allowing for multiple literacies not only helps build students’ self-esteem and confidence but is also going to be vital to our economic future, as the OECD links education to economic success.

“Dr. Cummins’ research is igniting the imaginations and creativity of teachers, inspiring them to break through bounded old thinking about the kind of work ESL learners can produce. If we support them well, bilingual and trilingual students have a great deal to contribute today and as potential leaders of tomorrow.”

Paula Markus

Program Coordinator, English as a Second Language, Toronto District School Board



SOCIAL INNOVATION: A COLLECTIVE FORCE

Local Communities Take Matters Into Their Own Hands
Denis Bourque

Whether it is a matter of job creation, family policies, workforce training or economic revitalization, working together to produce solutions that trigger social innovation is not only beneficial to citizens, but also to the public, private and not-for-profit sectors. According to Denis Bourque, Canada Research Chair in Community Organization and coordinator of one component of a SSHRC-funded research alliance at the Université du Québec en Outaouais, social innovation is a new and effective response to hopes and collective needs that cannot be addressed through conventional approaches. The Carrefour jeunesse-emploi network of Quebec and the citizen-initiated community real estate company in Trois-Rivières are good examples.

“Thanks to support from the city of Trois-Rivières, a Caisse populaire, the Canada Mortgage and Housing Corporation and a budget advisory organization, the Société immobilière communautaire—Trois-Rivières helps low-income renters become home owners. Ultimately, everyone wins!”

René Lachapelle

*Representative, Regroupement québécois des intervenants
et intervenantes en action communautaire*



AND THE CAPACITY TO LEAD

Leadership is about taking action. It is about seeing knowledge applied so that society can reap the benefits—greater prosperity, improved quality of life and increased productivity. SSHRC focuses exactly on these areas, cultivating connections among researchers, industry, government and international partners to ensure Canadian innovations find their way into the hands of those who will put them to work for maximum impact.

MOBILIZING KNOWLEDGE

Grants through SSHRC’s Connection program support workshops, conferences, forums, summer institutes and other events and outreach activities geared toward short-term, targeted knowledge mobilization. In 2011-12, SSHRC launched its Connection Grants funding opportunity, which offers a continuous intake of applications throughout the year.

SSHRC also connects with international partners and researchers. In March of last year, the Council—along with seven other research funders from around the world—announced its participation in round two of the Digging into Data Challenge. This joint initiative involves organizations from the United Kingdom, the United States, the Netherlands and Canada, and asks researchers to consider how computational technologies might enhance social sciences and humanities research in the digital era. SSHRC’s contribution of close to \$869,000 will support Canadian researchers from eight of the 14 participating international teams.

PROMOTING PARTNERSHIP

Related to SSHRC’s Connection focus, and cutting across all three program areas of Talent, Insight and Connection, are the Council’s partnerships initiatives. In Budget 2012, the federal government announced an additional \$7 million for industry-academic partnerships. SSHRC supports these and other partnerships, whether newly created or already in existence for a certain period, through two funding opportunities: Partnership Grants and Partnership Development Grants. While the former supports initiatives that advance research and/or knowledge mobilization, the latter is designed to develop and test new partnership approaches to research and/or related activities. In 2011-12, SSHRC awarded 25 Partnership Grants (involving 377 distinct partners) and 72 Partnership Development Grants (involving 274 distinct partners). For every dollar requested through SSHRC, Partnership Grant holders are, on average, leveraging up to \$0.96 in partner contributions (cash and in-kind), while Partnership Development Grant holders are leveraging up to \$2.18.

SSHRC undertook outreach activities in 2011-12 specifically targeted to private-sector organizations, raising awareness of its partnerships funding opportunities and inviting businesses to take advantage of research as a competitive asset. A key example of the success of such partnerships is TD Bank's achievement of carbon neutral status through its involvement with the SSHRC-funded Network for Business Sustainability at Western University.

REACHING OUT, REINING IN

SSHRC itself took steps in 2011-12 to demonstrate leadership and connect with stakeholders through extensive, far-reaching engagement efforts—fostering dialogue on issues related to the design and implementation of SSHRC programs, producing a social sciences and humanities newsletter for parliamentarians, working with researchers and partners to capture and communicate the impacts of social sciences and humanities research, and improving service delivery by enhancing its electronic application and assessment processes.

The Council made further advances on the technology front last year by enacting a joint information management / information technology strategy in collaboration with NSERC. The strategy sets out a forward-thinking business transformation plan and lays the foundation for building an efficient and effective program management system. The system will also benefit the university/college research community and partners by improving the delivery of programs, the management of awards, and the capacity to report on outcomes and achievements. The new system will be used for a number of funding opportunity competitions beginning in fall 2012. The system will harmonize, streamline and increase efficiencies in the granting process, and will provide a one-stop shop for all interactions with applicants, reviewers, committee members, institutions and partners.



FEATURED ALUMNA JIHAN ABBAS

Vanier Canada Graduate Scholarship recipient Jihan Abbas explains the value of the social sciences and humanities to Canadian society, and how SSHRC's support contributed to her development as a scholar.

For me, the social sciences and humanities are a valuable part of our society, as they allow us to understand the complex and layered nature of issues. With this understanding, and by connecting with stakeholders, we are able to conduct research that goes beyond the “what” of an issue and instead highlights the complex nature of the “why” and “how.” This enables us to be more proactive and seek solutions that can collectively move us forward. In my own research, which is concerned with disability issues, the social

sciences provide individuals, researchers and advocates with a means of countering dominant medical models of disability and, instead, understanding the social model of disability, which is necessary for the identification and removal of disabling barriers, and for a more inclusive and equitable society.

The support through the Vanier scholarship has been invaluable and allowed me the freedom to focus on my research and my development as a scholar. I have been able to carry out participatory research and engage the stakeholders and the community in real and meaningful ways. The Vanier scholarship provided opportunities to collaborate with other scholars and peers in my field, write, and present my own research. It has helped me develop my skills as a researcher and writer and further my development within my field.

Jihan Abbas

PhD candidate, Carleton University, and Vanier scholar



MULTIPLE PERSPECTIVES, ONE FUTURE

Forest Collaborative
Donald Floyd

Few people would be surprised that forestry companies and environmental organizations might not always see eye to eye on sustainability strategies. Professor Donald Floyd at the University of New Brunswick is in the midst of a project that's bringing the two sides together—to come up with constructive solutions and identify ways of collaborating over the long term. "SSHRC's support has been critical to this project because of the Council's broad view of interdisciplinary problem solving. That's what's needed here: a mix of sound ecological science and insight into the sociology of public involvement," Floyd says. With forestry producer J.D. Irving, Limited and a number of non-governmental organizations engaged, this research project is helping stakeholders reach common ground on approaching issues such as biodiversity conservation, forest habitats, climate change and carbon emissions. The aim is to ensure a vibrant economic *and* environmental future for the region.

"We've successfully built an understanding of where perspectives are coming from and why differences exist—past decisions did not reflect everyone's values. It's gratifying to have a hand in shaping this conservation research to apply in our community work."

Roberta Clowater

Executive Director, Canadian Parks and Wilderness Society, New Brunswick Chapter



REINVENTING ONESELF TO TACKLE GLOBALIZATION HEAD-ON

The Industrial Cluster: A Well-Performing Tool
Christian Lévesque

According to Christian Lévesque, a teacher at the École des Hautes Études Commerciales de Montréal and co-director of the Interuniversity Research Centre on Globalization and Work, it is essential that regional stakeholders co-ordinate their efforts in order to attract investments in a context of globalization. Funded in part by SSHRC, the scientific program at the Centre (which comprises 16 Canadian universities and 25 educational institutions from other countries) is a leader in studying the effects of globalization and the range of possible responses. The industrial cluster, which mobilizes stakeholders from the same sector in a given region, is one such response. This socio-economic tool ensures better co-ordination of efforts by businesses, unions, educational institutions, professional and economic associations, and government agencies. This co-ordination is crucial for training highly skilled workers and for implementing structures that foster innovation in all its forms—two conditions essential to prosperity.

“Thanks to the support from SSHRC, we were able to better understand the dynamics of innovation inside the aeronautics industry cluster in the Montréal area, particularly with respect to human resources, which constitute, in our opinion, one of the key strengths of businesses and regions in a globalized economy.”

Christian Lévesque

Professor, École des Hautes Études Commerciales de Montréal



FEATURED ALUMNA STEPHANIE FISHER

A history buff who grew up on videogames, Stephanie Fisher has spent her graduate years studying gender, education and digital media. With one foot in academia and the other in the virtual world, she's helping carve out a place for women in the gaming realm—not only as players but also, and importantly, as creators.

We are seeing more girls and women playing videogames, but the number of women working in the field is still low. However, gaming and digital media are powerful cultural forms, and women and other marginalized groups could play a bigger role.

Diversifying the industry is key. With Dames Making Games, our goal is to create a community of women game developers and shape a place for women

in the industry. In the space of six months, we've grown to more than 100 members. One of our founders is now off to San Francisco to start a new chapter.

As a master's student, I participated in SSHRC-funded research projects led by my professors at York University. The Joseph-Armand Bombardier CGS Doctoral Scholarship I received in 2011 has let me continue my studies and devote the time needed to help Dames Making Games succeed. Gaming as an industry is going to continue to have a profound economic and cultural impact on Canada. The perspectives reflected in games will continue to be diverse.

Stephanie Fisher

Founding member, Dames Making Games

AWARDS AND PRIZES



**SSHRC Gold Medal for
Achievement in Research (\$100,000)**

The SSHRC Gold Medal for Achievement in Research is the Council's highest research honour. It is awarded to an individual whose leadership, dedication, and originality of thought have significantly advanced understanding in his or her field of research, enriched Canadian society, and contributed to the country's cultural and intellectual life.

CONSTANCE BACKHOUSE *University of Ottawa*



Molson Prize (\$50,000)

Each year, the Canada Council for the Arts, in conjunction with SSHRC, awards a \$50,000 prize to a distinguished Canadian performing research in the social sciences and humanities. Funded by an endowment from the Molson Family Foundation, the Molson Prizes honour Canadians who have made important contributions to Canada's cultural and intellectual heritage.

PETER VICTOR *York University*



SSHRC Aurora Prize (\$25,000)

The SSHRC Aurora Prize recognizes an outstanding new scholar who is building a reputation for exciting and original research in the social sciences or humanities.

JAMES STEWART *The University of British Columbia*



SSHRC Postdoctoral Prize (\$10,000)

The SSHRC Postdoctoral Prize is awarded each year to the most outstanding SSHRC postdoctoral fellowship recipient.

MAY CHAZAN *University of Toronto*



SSHRC William E. Taylor Fellowship (\$5,000)

The William E. Taylor Fellowship is awarded each year to the most outstanding SSHRC doctoral award recipient.

AGNÈS BLAIS *Université Laval*

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President and Executive Director, Centraide of Greater Montreal

FINANCIAL STATEMENTS

For the year ended March 31, 2012



Auditor General of Canada
Vérificateur général du Canada

INDEPENDENT AUDITOR'S REPORT

To the Social Sciences and Humanities Research Council and the Minister of Industry

I have audited the accompanying financial statements of Social Sciences and Humanities Research Council, which comprise the statement of financial position as at 31 March 2012, and the statement of operations and net financial position, statement of change in net debt and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial

statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly in all material respects, the financial position of Social Sciences and Humanities Research Council as at 31 March 2012, and the results of its operations, changes in its net debt, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Marise Bédard, CA
Principal
for the Auditor General of Canada

11 June 2012
Ottawa, Canada

STATEMENT OF MANAGEMENT RESPONSIBILITY INCLUDING INTERNAL CONTROL OVER FINANCIAL REPORTING

Responsibility for the integrity and objectivity of the accompanying financial statements for the year ended March 31, 2012, and all information contained in these statements rests with the management of the Social Sciences and Humanities Research Council (SSHRC). These financial statements have been prepared by management using the government's accounting policies, which are based on Canadian public sector accounting standards.

Management is responsible for the integrity and objectivity of the information in these financial statements. Some of the information in the financial statements is based on management's best estimates and judgment, with due consideration given to materiality. To fulfil its accounting and reporting responsibilities, management maintains a set of accounts that provides a centralized record of SSHRC's financial transactions. Financial information submitted in the preparation of the Public Accounts of Canada, and included in SSHRC's *Departmental Performance Report*, is consistent with these financial statements.

Management is also responsible for maintaining an effective system of internal control over financial reporting (ICFR) designed to provide reasonable assurance that financial information is reliable, that assets are safeguarded and that transactions are properly authorized and recorded in accordance with the *Financial Administration Act* and other applicable legislation, regulations, authorities and policies.

Management seeks to ensure the objectivity and integrity of data in its financial statements through careful selection, training, and development of qualified staff; through organizational arrangements that provide appropriate divisions of responsibility; through communication programs aimed at ensuring that regulations, policies, standards, and managerial authorities are understood throughout SSHRC; and through the conducting of an annual risk-based assessment of the effectiveness of the ICFR system.

The ICFR system is designed to mitigate risks to a reasonable level based on an ongoing process to identify key risks, to assess the effectiveness of associated key controls, and to make any necessary adjustments.

A risk-based assessment of the ICFR system for the year ended March 31, 2012, was completed in accordance with the Treasury Board *Policy on Internal Control*. The results and action plans are summarized in the annex¹.

The Office of the Auditor General, the independent auditor for the Government of Canada, has expressed an opinion on the fair presentation of the financial statements of SSHRC that does not include an audit opinion on the annual assessment of the effectiveness of SSHRC's internal controls over financial reporting.



Chad Gaffield, PhD, FRSC
President



Jaime W. Pitfield
Chief Financial Officer

Ottawa, Canada / June 11, 2012

¹Annex to the Statement of Management Responsibility including Internal Control over Financial Reporting (Unaudited):
http://www.sshrc-crsh.gc.ca/about-au_sujet/publications/annual_reports-rapports_annuels-eng.aspx

STATEMENT OF FINANCIAL POSITION

As at March 31 (thousands of dollars)	2012	2011
		Restated [Note 13]
Liabilities		
Accounts payable and accrued liabilities [Note 4]	2,439	3,153
Vacation pay and compensatory leave	906	725
Deferred Revenue [Note 5]	496	492
Employee future benefits [Note 6]	3,395	3,525
Total net liabilities	7,236	7,895
Financial assets		
Due from the Consolidated Revenue Fund	2,664	2,972
Accounts receivable [Note 7]	1,503	2,235
Advances	11	19
Total net financial assets	4,178	5,226
Net debt	3,058	2,669
Non-financial assets		
Prepaid expenses	186	174
Tangible capital assets [Note 8]	1,281	1,531
Total non-financial assets	1,467	1,705
Net financial position [Note 9]	(1,591)	(964)

Contractual obligations [Note 10]

The accompanying notes form an integral part of these financial statements.



Chad Gafffield, PhD, FRSC
President



Jaime W. Pitfield
Chief Financial Officer

Ottawa, Canada / June 11, 2012

STATEMENT OF OPERATIONS AND NET FINANCIAL POSITION

For the year ended March 31 (thousands of dollars)	2012	2012	2011
	Planned Results		Restated [Note 13]
Expenses			
Indirect Costs of Research	322,729	332,045	329,798
Fellowships, Scholarships and Prizes	120,574	119,768	118,790
Investigator-Framed Research	87,778	88,482	89,846
Research Chairs	61,093	57,004	53,751
Strategic Research Development	31,014	35,339	26,923
Research Networking	24,322	27,554	26,159
Internal Services	20,241	20,030	20,045
Research Dissemination and Knowledge Translation	7,615	11,894	8,858
Targeted Research and Training Initiatives	9,837	8,950	16,022
Expenses incurred on behalf of Government	0	(1)	0
Total expenses	685,203	701,065	690,192
Revenues			
Interest revenues	0	2	1
Revenues earned on behalf of Government	0	(2)	(1)
Total revenues	0	0	0
Net cost of operations before government funding and transfers	685,203	701,065	690,192
Government funding and transfers			
Net cash provided by Government		696,695	686,866
Change in Due from the Consolidated Revenue Fund		(308)	620
Common services provided without charge by other government departments [Note 11a)]		4,063	3,744
Transfer of assets to other government departments		(12)	0
Net cost of operations after government funding and transfers		627	(1,038)
Net financial position - Beginning of year		(964)	(2,002)
Net financial position - End of year		(1,591)	(964)

Segmented information [Note 12]

The accompanying notes form an integral part of these financial statements.

STATEMENT OF CHANGE IN NET DEBT

For the year ended March 31 (thousands of dollars)	2012	2011
Net cost of operations after government funding and transfers	627	(1,038)
Change due to tangible capital assets		
Acquisition of tangible capital assets	412	721
Amortization of tangible capital assets	(647)	(750)
Net loss on disposal of tangible capital assets including adjustments	(3)	0
Transfer of assets to other government departments	(12)	0
Total change due to tangible capital assets	(250)	(29)
Change due to prepaid expenses	12	118
Net increase (decrease) in net debt	389	(949)
Net debt - Beginning of year	2,669	3,618
Net debt - End of year	3,058	2,669

The accompanying notes form an integral part of these financial statements.

STATEMENT OF CASH FLOWS

For the year ended March 31 (thousands of dollars)	2012	2011
		Restated [Note 13]
Operating activities		
Net cost of operations before government funding and transfers	701,065	690,192
Non-cash items:		
Amortization of tangible capital assets [Note 8]	(647)	(750)
Loss on disposal of tangible capital assets	(3)	0
Common services provided without charge by other government departments [Note 11a)]	(4,063)	(3,744)
Variations in Statement of Financial Position:		
Increase (decrease) in accounts receivable	(732)	929
Increase (decrease) in advances	(8)	17
Increase (decrease) in prepaid expenses	12	118
Decrease (increase) in accounts payable and accrued liabilities	714	(867)
Decrease (increase) in vacation pay and compensatory leave	(181)	95
Decrease (increase) in deferred revenue	(4)	6
Decrease (increase) in employee future benefits	130	149
Cash used in operating activities	696,283	686,145
Capital investing activities		
Acquisitions of tangible capital assets	412	721
Cash used in capital investing activities	412	721
Financing activities	0	0
Net cash provided by Government of Canada	696,695	686,866

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31

1. AUTHORITY AND OBJECTIVES

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 to the *Financial Administration Act*. SSHRC’s purpose is to promote and assist research and scholarship in the social sciences and humanities. SSHRC’s grants, scholarships and operating expenditures are funded by budgetary lapsing authorities. Employee benefits are funded by statutory authorities. SSHRC delivers its objectives under nine program activities:

a) Indirect Costs of Research

The key objective of the Indirect Costs Program is to help eligible universities, colleges and affiliated research hospitals and research institutes pay a portion of the costs associated with conducting academic research in institutions receiving research funds from SSHRC, the Natural Sciences and Engineering Research Council or the Canadian Institutes of Health Research.

b) Fellowships, Scholarships and Prizes

SSHRC offers several award programs for advanced study and research in the social sciences and humanities at the master’s, doctoral and postdoctoral levels. These programs help train Canada’s researchers and the leaders of tomorrow.

c) Investigator-Framed Research

SSHRC research grants support individual and team projects and programs of research for which the applicant(s) propose(s) the research topic and methodology.

d) Research Chairs

Chairs programs support faculty positions within post secondary and research institutions by providing funding for salaries and research activities. Chairs programs serve to attract the best and most productive researchers to Canada, and to retain those already here.

e) Strategic Research Development

SSHRC’s strategic grants are available to faculty, postsecondary institutions, scholarly associations and non-profit organizations to explore, develop and define new perspectives, challenges and priorities in conducting research, in disseminating research results, and in training new researchers.

f) Research Networking

SSHRC’s networking programs support interactions between researchers (in academia and other sectors) and between researchers and users of research results (in a range of sectors). These interactions enable researchers, research trainees and others to share and collaborate on research plans and results.

g) Internal Services

Internal services are groups of related activities and resources that are administered to support the needs of programs and other corporate obligations. These groups are: Management and Oversight Services; Communications Services; Legal Services; Human Resources Management Services; Financial Management Services; Information Management Services; Information Technology Services; Real Property Services; Materiel Services; Acquisition Services; and Travel and Other Administrative Services. Internal services include only those activities and resources that apply across an organization and not to those provided specifically to a program.

h) Targeted Research and Training Initiatives

SSHRC develops and funds programs to support strategic research programs, both on its own and in partnership with other fund providers, including government, private and community organizations. These programs generate new knowledge on pressing social, economic and cultural issues of particular importance to Canadians.

i) Research Dissemination and Knowledge Translation

SSHRC supports the effective dissemination of social sciences and humanities research results, both within and beyond academia. Through grants to researchers and research institutions, it helps to ensure that research results are accessible to potential users, through both dissemination and engagement activities.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared using the government's accounting policies stated below, which are based on Canadian public sector accounting standards. The presentation and results using the stated accounting policies do not result in any significant differences from Canadian public sector accounting standards.

Significant accounting policies are as follows:

a) Parliamentary authorities

SSHRC is financed by the government through parliamentary authorities. Financial reporting of authorities provided to SSHRC do not parallel financial reporting according to generally accepted accounting principles, since authorities are primarily based on cash flow requirements. Consequently, items recognized in the Statement of Financial Position and in the Statement of Operations and Net Financial Position are not necessarily the same as those provided through authorities from Parliament. Note 3 provides a reconciliation between the bases of reporting. The planned results amounts in the Statement of Operations and Net Financial Position are the amounts reported in the future-oriented statement of operations included with *SSHRC's 2011-12 Report on Plans and Priorities*.

b) Net cash provided by government

SSHRC operates within the Consolidated Revenue Fund (CRF), which is administered by the Receiver General for Canada. All cash received by SSHRC is deposited to the CRF, and all cash disbursements made by SSHRC are paid from the CRF. The net cash provided by government is the difference between all cash receipts and all cash disbursements, including transactions between departments of the government.

c) Amounts due from the Consolidated Revenue Fund

Amounts due from the CRF are the result of timing differences at year-end between when a transaction affects authorities and when it is processed through the CRF. Amounts due from the CRF represent the net amount of cash that SSHRC is entitled to draw from the CRF without further authorities to discharge its liabilities.

d) Revenues

Revenues consist of interest on overdue accounts receivable and are accounted for as earned.

Funds received from external parties for specified purposes are recorded upon receipt as deferred revenue. These revenues are recognized in the period in which the related expenses are incurred.

Revenues that are non-respendable are not available to discharge SSHRC's liabilities.

While the president is expected to maintain accounting control, he has no authority regarding the disposition of non-respendable revenues. As a result, non-respendable revenues are considered to be earned on behalf of the government and are therefore presented in reduction of the entity's gross revenues.

e) Expenses

Expenses are recorded on the accrual basis.

Grants and scholarships are recognized in the year in which the entitlement of the recipient has been established, when the recipient has met the eligibility criteria, the commitment has been approved, and the payment is due before the end of the fiscal year.

Vacation pay and compensatory leave are accrued as the benefits are earned by employees under their respective terms of employment.

Services provided without charge by other government departments for accommodation, audit services and employer contributions to the health and dental insurance plans are recorded as operating expenses at their estimated cost.

f) Employee future benefits

i) Pension benefits: Eligible employees participate in the Public Service Pension Plan, a multiemployer pension plan administered by the government. SSHRC's contributions to the Plan are charged to expenses in the year incurred and represent SSHRC's total obligation to the Plan. SSHRC's responsibility with regard to the Plan is limited to its contributions. Actuarial surpluses or deficiencies are recognized in the financial statements of the government, the Plan's sponsor.

(ii) Severance benefits: Employees entitled to severance benefits under labour contracts or conditions of employment earn these benefits as services necessary to earn them are rendered. The obligation relating to the benefits earned by employees is calculated using information derived from the results of the actuarially determined liability for employee severance benefits for the government as a whole.

g) Accounts receivables

Accounts receivables are stated at the lower of cost and net recoverable value.
A valuation allowance is recorded for receivables where recovery is considered uncertain.

h) Tangible capital assets

All tangible capital assets and leasehold improvements having an initial cost of \$5,000 or more are recorded at their acquisition cost. SSHRC does not capitalize intangibles.

Amortization of tangible capital assets is done on a straight-line basis over the estimated useful life of the asset as follows:

Asset class	Amortization period
Informatics equipment, including standard software issued on desktop computers	3 years
Purchased network software and in-house developed software	5 years
Other equipment	5 years
Furniture	7 years
Motor vehicles	7 years
Leasehold improvements	Lesser of the remaining term of lease or useful life of the improvement

Assets under construction are recorded in the applicable capital asset class in the year that they become available for use and are not amortized until they become available for use.

f) Measurement uncertainty

The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses reported in the financial statements. At the time of preparation of these statements, management believes the estimates and assumptions to be reasonable. The most significant items where estimates are used are the liability for employee future benefits and the useful life of tangible capital assets. Actual results could significantly differ from those estimated. Management’s estimates are reviewed periodically and, as adjustments become necessary, are recorded in the financial statements in the year in which they become known.

3. PARLIAMENTARY AUTHORITIES

SSHRC receives its funding through annual parliamentary authorities. Items recognized in the Statement of Financial Position and in the Statement of Operations and Net Financial Position one year may be funded through parliamentary authorities in prior, current or future years. Accordingly, SSHRC has a different net cost of operations for the year on a government funding basis than on an accrual accounting basis. The differences are reconciled in the following tables:

a) Reconciliation of net cost of operations to current year authorities used

(thousands of dollars)	2012	2011
Net cost of operations before government funding and transfers	701,065	690,192
Adjustments for items affecting net cost of operations but not affecting authorities:		
Amortization of tangible capital assets	(647)	(750)
Loss on disposal of tangible capital assets	(3)	0
Services provided without charge by other government departments	(4,063)	(3,744)
Decrease (increase) in vacation pay and compensatory leave	(181)	95
Decrease in employee future benefits	130	149
Refunds of prior years' expenditures	1,128	2,249
Other adjustments	(1)	63
Total items affecting net cost of operations but not affecting authorities	697,428	688,254
Adjustments for items not affecting net cost of operations but affecting authorities:		
Acquisitions of tangible capital assets	412	721
Increase in prepaid expenses	12	118
Total items not affecting net cost of operations but affecting authorities	424	839
Current year authorities used	697,852	689,093

b) Authorities provided and used

(thousands of dollars)	2012	2011
Authorities provided:		
Vote 95 - Grants	671,107	663,622
Less: Lapse	(108)	(1,313)
Frozen allotment	0	(600)
Grants expenditures	670,999	661,709
Vote 90 - Operating expenditures	24,981	25,570
Less: Operating lapse	(922)	(761)
Frozen allotment	(123)	(278)
Operating expenditures	23,936	24,531
Statutory contributions to employee benefit plans	2,917	2,853
Current year authorities used	697,852	689,093

4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The following table presents details of SSHRC's accounts payable and accrued liabilities:

(thousands of dollars)	2012	2011
Accounts payable - Other government departments and agencies	937	1,724
Accounts payable - External parties	774	1,122
Total accounts payable	1,711	2,846
Accrued liabilities	728	307
Total accounts payable and accrued liabilities	2,439	3,153

5. DEFERRED REVENUE

Deferred revenue represents the balance at year-end of unearned revenues stemming from amounts received from external parties and are restricted in order to fund the expenditures related to specific research projects and stemming from amounts received for fees prior to services being performed. Revenue is recognized in the period in which these expenditures are incurred or in which the service is performed. Details of the transactions related to this account are as follows.

a) Queen’s Fellowship Endowment Fund

The Queen’s Fellowship Endowment Fund consists of a \$250,000 endowment that is restricted for specific purposes in the net financial position (see Note 9). The interest generated on the endowment is used to fund scholarships to graduate students in certain fields of Canadian studies. Details of the transactions related to the endowment are as follows:

(thousands of dollars)	2012	2011
Opening balance	107	105
Interest received	2	2
Closing balance	109	107

b) Restricted gifts, donations and bequests

Private restricted gifts, donations and bequests consist of funds received for social sciences and humanities research activity special projects. These funds and interest generated thereon are earmarked for these projects. Details of the operations related to the restricted gifts, donations and bequests are as follows:

(thousands of dollars)	2012	2011
Opening balance	385	393
Interest received	2	2
Fellowships paid	0	(10)
Net closing balance	387	385

6. EMPLOYEE FUTURE BENEFITS

a) Pension benefits

SSHRC's employees participate in the Public Service Pension Plan, which is sponsored and administered by the government. Pension benefits accrue up to a maximum period of 35 years at a rate of two per cent per year of pensionable service, times the average of the best five consecutive years of earnings. The benefits are integrated with Canada/Québec Pension Plans benefits and are indexed to inflation.

Both the employees and SSHRC contribute to the cost of the Plan. The 2011-12 expense amounts to \$2,097,681 (\$2,002,090 in 2010-11), which represents approximately 1.8 times (1.9 times in 2010-11) the contributions by employees.

SSHRC's responsibility with regard to the Plan is limited to its contributions. Actuarial surpluses or deficiencies are recognized in the financial statements of the government, the Plan's sponsor.

b) Severance benefits

SSHRC provides severance benefits to its employees based on eligibility, years of service and salary at termination of employment. These severance benefits are not pre-funded. Benefits will be paid from future authorities.

As part of collective agreement negotiations with certain employee groups, and changes to conditions of employment for executives and certain non-represented employees, the accumulation of severance benefits under the employee severance pay program ceased for these employees commencing in 2012. Employees subject to these changes have been given the option to be immediately paid the full or partial value of benefits earned to date or collect the full or remaining value of benefits on termination from the public service. These changes have been reflected in the calculation of the outstanding severance benefit obligation. Information about the severance benefits, measured as at March 31, is as follows:

(thousands of dollars)	2012	2011
Accrued benefit obligation - Beginning of year	3,526	3,674
Expense for the year	431	160
Benefits paid during the year	(562)	(308)
Accrued benefit obligation - End of year	3,395	3,526

7. ACCOUNTS RECEIVABLE

The following table presents details of SSHRC’s accounts receivable balances:

(thousands of dollars)	2012	2011
Receivables - Other government departments and agencies	261	585
Receivables - External parties	1,243	1,650
Subtotal	1,504	2,235
Allowance for doubtful accounts on receivables from external parties	(1)	0
Net accounts receivable	1,503	2,235

8. TANGIBLE CAPITAL ASSETS

(thousands of dollars)

Capital asset class	Cost					Accumulated amortization					Net book value	
	Opening balance	Acquisitions	Adjustments*	Disposals and write-offs	Closing balance	Opening balance	Amortization	Adjustments*	Disposals and write-offs	Closing balance	2012	2011
Informatics	3,084	73	(86)	97	2,974	2,590	243	(86)	96	2,651	323	494
Software	1,354	48	0	0	1,402	1,133	92	0	0	1,225	177	221
Other equipment	214	0	(2)	0	212	209	1	(2)	0	208	4	5
Furniture	2,108	0	(31)	21	2,056	1,527	88	(19)	19	1,577	479	581
Leasehold improvements	1,374	0	0	0	1,374	1,156	218	0	0	1,374	0	218
Motor vehicles	31	27	0	0	58	19	5	0	0	24	34	12
Assets under construction	0	264	0	0	264	0	0	0	0	0	264	0
Total	8,165	412	(119)	118	8,340	6,634	647	(107)	115	7,059	1,281	1,531

*SSHRC transferred assets with a net book value of \$11,971 to the Natural Sciences and Engineering Research Council. This transfer is included in the adjustment columns.

9. NET FINANCIAL POSITION

A portion of SSHRC’s net financial position is used for a specific purpose. Related revenues and expenses are included in the Statement of Operations and Net Financial Position.

The Queen’s Fellowship Endowment Fund is an endowment of \$250,000 established by Parliament by Vote 45a, *Appropriation Act No. 5*, in 1973-74. The interest generated from the endowment is included in deferred revenue [see Note 5 a)]. The endowment itself does not represent a liability to third parties but is restricted for special purposes. Activity in the account is as follows:

(thousands of dollars)	2012	2011
Queen’s Fellowship Endowment Fund	250	250
Net financial position excluding Endowment Fund	(1,841)	(1,214)
Net financial position	(1,591)	(964)

10. CONTRACTUAL OBLIGATIONS

Payments of grants and scholarships extending into future years are subject to the provision of funds by Parliament. As of March 31, 2012, the commitments for future years’ awards, including \$332,403,000 in 2012-13 for the Indirect Costs Program, are payable as follows:

(thousands of dollars)	
2012-13	635,452
2013-14	193,335
2014-15	113,106
2015-16	61,914
2016-17 and subsequent years	55,459
Total	1,059,266

In addition, the nature of SSHRC’s operating activities can result in some large multiyear contracts and obligations whereby SSHRC will be committed to make future payments when the services or goods are rendered. Significant contractual obligations that can be reasonably estimated are summarized as follows:

(thousands of dollars)	
2012-13	46
2013-14	27
2014-15	6
2015-16	0
2016-17 and subsequent years	0
Total	79

11. RELATED PARTY TRANSACTIONS

SSHRC is related as a result of common ownership to all government departments, agencies and Crown corporations. SSHRC enters into transactions with these entities in the normal course of business and on normal trade terms. During the year, SSHRC received common services that were obtained without charge by other government departments as disclosed below.

a) Common services provided without charge by other government departments

During the year, SSHRC received services without charge from certain common service organizations related to accommodations, audit services and the employer’s contribution to the health and dental insurance plans. These services provided without charge have been recorded in SSHRC’s Statement of Operations and Net Financial Position as follows:

(thousands of dollars)	2012	2011
Accommodations	2,512	2,272
Employer’s contribution to the health and dental insurance plans	1,461	1,384
Audit Services	90	88
Total	4,063	3,744

The government has centralized some of its administrative activities for efficiency, cost-effectiveness purposes and economic delivery of programs to the public. As a result, the government uses central agencies and common service organizations so that one department performs services for all other departments and agencies without charge. The costs of these services, such as the payroll and cheque issuance services provided by Public Works and Government Services Canada are not included in SSHRC’s Statement of Operations and Net Financial Position.

b) Administration of programs on behalf of other government departments

SSHRC administers funds received from other government departments and agencies to issue grants, scholarships and related payments on their behalf. During the year, SSHRC administered \$231,670,279 (\$221,576,138 in 2010-11) in funds for grants and scholarships. These expenses are reflected in the financial statements of the departments or agencies that provided the funds and are not recorded in these financial statements.

SSHRC also recovers administrative fees in some circumstances where a significant administrative burden is incurred by SSHRC for the administration of certain funds on behalf of other government departments and agencies. These amounted to \$115,500 during the year (\$77,044 in 2010-11) and were netted against SSHRC’s operating expenses.

12. SEGMENTED INFORMATION

Presentation by segment is based on SSHRC’s program activity architecture. The presentation by segment is based on the same accounting policies as described in the Summary of significant accounting policies in Note 2. The following table presents the expenses incurred for the main program activities, by major object of expenses. The segment results for the period are as follows:

(thousands of dollars)	Indirect Costs of Research	Fellowships, Scholarships and Prizes	Investigator-Framed Research	Research Chairs	Strategic Research Development	Research Networking	Internal Services	Research Dissemination and Knowledge Translation	Targeted Research and Training Initiatives	2012 Total	2011 Total
Transfer payments											
Grants and Scholarships	331,675	117,203	85,081	55,278	34,617	27,045	0	11,421	7,617	669,937	659,545
Operating expenses											
Salaries and employee benefits	359	2,381	2,989	1,404	650	479	12,484	440	1,200	22,386	20,981
Professional and special services	10	107	69	80	23	20	3,084	21	41	3,455	4,164
Accommodation and rentals	0	3	15	0	1	1	2,746	1	0	2,767	2,452
Transportation and communications	1	74	328	72	47	8	471	10	91	1,102	1,307
Amortization of tangible capital assets	0	0	0	0	0	0	647	0	0	647	750
Utilities, materials and supplies	0	0	0	168	0	0	244	0	0	412	316
Information	0	0	0	2	1	1	280	1	1	286	390
Repair and maintenance	0	0	0	0	0	0	71	0	0	71	287
Loss on disposal of tangible capital assets	0	0	0	0	0	0	3	0	0	3	0
Expenses incurred on behalf of government	0	(1)	0	0	0	0	0	0	0	(1)	0
Total operating expenses	370	2,564	3,401	1,726	722	509	20,030	473	1,333	31,128	30,647
Total expenses	332,045	119,767	88,482	57,004	35,339	27,554	20,030	11,894	8,950	701,065	690,192
Revenues											
Interest revenues	0	2	0	0	0	0	0	0	0	2	1
Revenues earned on behalf of government	0	(2)	0	0	0	0	0	0	0	(2)	(1)
Total revenues	0	0	0	0	0	0	0	0	0	0	0
Net cost from continuing operations	332,045	119,767	88,482	57,004	35,339	27,554	20,030	11,894	8,950	701,065	690,192

13. ACCOUNTING CHANGES

During 2011-12, amendments were made to *Treasury Board Accounting Standard 1.2 – Departmental and Agency Financial Statements* to improve financial reporting by government departments and agencies. The amendments are effective for financial reporting of fiscal year ending March 31, 2012, and later. The significant changes to SSHRC’s financial statements are described below. These changes have been applied retroactively, and comparative information for 2010-11 has been restated.

Net Debt (calculated as liabilities less financial assets) is now presented in the Statement of Financial Position. Accompanying this change, SSHRC now presents a Statement of Change in Net Debt and no longer presents a Statement of Equity of Canada.

Revenue and related accounts receivable are now presented net of non-respendable amounts in the Statement of Financial Position and Statement of Operations and Net Financial Position. The effect of this change was to increase net cost of operations after government funding and transfers by \$1,000 for 2012 (\$1,000 for 2011).

Government funding and transfers, as well as the credit related to services provided without charge by other government departments are now recognized in the Statement of Operations and Net Financial Position below “Net cost of operations before government funding and transfers.” In previous years, SSHRC recognized these transactions directly in the Statement of Equity of Canada. The effect of this change was to decrease the net cost of operations after government funding and transfers by \$701,170,000 for 2012 (\$690,301,000 for 2011).

(thousands of dollars)	2011 As previously stated	Effect of change	2011 Restated
Statements of Financial Position:			
Financial position	(964)	0	(964)
Statement of Operations and Net Financial Position:			
Revenues	1	(1)	0
Expenses	690,192	0	690,192
Government Funding and Transfers:			
Net cash provided by government	0	686,866	686,866
Change in due from Consolidated Revenue Fund	0	620	620
Services provided without charge by other government departments	0	3,744	3,744

14. COMPARATIVE INFORMATION

Comparative figures have been reclassified to conform to the current year’s presentation.