

# **Canadian Institutes of Health Research**

## **Quarterly Financial Report for the Quarter Ended June 30, 2023**

## **1. Introduction**

This quarterly financial report has been prepared by management as required by section 65.1 of the *Financial Administration Act* and in the form and manner prescribed by the Treasury Board. It should be read in conjunction with the 2023-24 [Main Estimates](#). It has not been subject to an external audit or review nor has it been subject to the approval of the Audit Committee.

### ***1.1 Authority, mandate and programs***

The Canadian Institutes of Health Research (CIHR) is the Government of Canada's health research funding agency. It was created in June 2000 by the *Canadian Institutes of Health Research Act* with a mandate “to excel, according to internationally accepted standards of scientific excellence, in the creation of new knowledge and its translation into improved health for Canadians, more effective health services and products and a strengthened Canadian health care system.”

CIHR invests in high quality health research and health research personnel to help create and apply new knowledge that can improve health outcomes for Canadians, lead to innovative products and services that improve Canada's health care system, and create high quality employment and commercial opportunities.

Further details on CIHR's mandate and programs can be found in [Part II of the Main Estimates](#) and the [Department Plan](#).

### ***1.2 Basis of presentation***

This quarterly report has been prepared by CIHR management using an expenditure basis of accounting. The accompanying Statement of Authorities includes CIHR's spending authorities granted by Parliament and those used by CIHR, consistent with the Main Estimates supplied thus far for the 2023-24 fiscal year. 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 monies can be spent by the Government of Canada (the Government). 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.

CIHR uses the full accrual method of accounting to prepare and present its annual departmental 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 (YTD) results**

This quarterly financial report reflects the results of the current fiscal period in comparison to the authorities supplied by the Main Estimates to date for fiscal year 2023-24, as well as budget adjustments approved by Treasury Board up to June 30, 2023.

# Canadian Institutes of Health Research

Quarterly Financial Report for the Quarter Ended June 30, 2023

## ***2.1 Financial Highlights – Statement of Authorities (Refer to Section 5)***

As of June 30, 2023, total authorities available for use for CIHR have increased by \$114.9 million (9.3%) compared to June 30, 2022 as shown in the table below. The increase to CIHR's total authorities available is due to:

- \$81.1 million of new funding for the Clinical Trials fund;
- \$14.3 million increase resulting from CIHR's participation in tri-agency programs in collaboration with the Natural Sciences and Engineering Research Council (NSERC) and the Social Sciences and Humanities Research Council (SSHRC). Funding for these programs varies by fiscal year as CIHR is allocated funding following each distinct competition depending on the successful applicants' alignment with CIHR's health-related mandate. CIHR received more funds in 2023-24 for the Canada First Research Excellence Fund (\$19.1 million), Canada Excellence Research Chairs (\$6.0 million), and fewer funds for the College and Community Innovation Program (\$0.1 million), the Business Led Network Centres of Excellence (\$1.0 million), Centres of Excellence for Commercialization and Research (\$4.1 million), and the Network Centres of Excellence (\$5.6 million).
- \$7.4 million of new funding for the National Strategy for Drugs for Rare Diseases;
- \$4.9 million increase in funding for long-term health impacts of COVID-19;
- \$4.3 million increase in funding for the National Women's Health Research Initiative;
- \$3.2 million increase in net transfers from other government departments for specific programs and initiatives;
- \$3.1 million of new funding for Dementia and Brain Health in Aging;
- \$2.6 million increase in funding for Canada's Black students and postdoctoral fellows;
- \$0.4 million increase in funding due to various immaterial adjustments;
- \$0.5 million decrease in funding for the Canada Research Chairs;
- \$0.7 million decrease due to employee benefit plan adjustments from the Treasury Board Secretariat;
- \$2.2 million decrease in funding for supporting mental health affected by COVID-19; and
- \$3.0 million decrease in funding for post-traumatic stress disorder research.

Total authorities used as of June 30, 2023 increased by \$16.2 million (5.9%) compared to the prior fiscal year due mainly to the grant payments related to the increased funding mentioned above. CIHR has used 21.6% (22.3% in 2022-23) of its available authorities through the first quarter which is consistent with its annual spending pattern.

**Canadian Institutes of Health Research**  
 Quarterly Financial Report for the Quarter Ended June 30, 2023

**Table 2.1.1 – Changes to annual authorities available and authorities used during the first quarter (Q1) by vote**  
 (\$ thousands)

	2023-24			2022-23			Variance	
	Annual authorities available	Q1 authorities used	% used	Annual authorities available	Q1 authorities used	% used	(1) vs (3)	(2) vs (4)
	(1)	(2)		(3)	(4)			
Vote 1 - Operating Expenditures	72,522	17,573	24.2%	64,901	15,482	23.9%	11.7%	13.5%
Vote 5 - Grants	1,276,047	273,625	21.4%	1,169,851	259,773	22.2%	9.1%	5.3%
Statutory Authorities – Employee benefits plan	8,866	2,216	25.0%	7,733	1,933	25.0%	14.7%	14.6%
<b>Total</b>	<b>1,357,435</b>	<b>293,414</b>	<b>21.6%</b>	<b>1,242,485</b>	<b>277,188</b>	<b>22.3%</b>	<b>9.3%</b>	<b>5.9%</b>

**Vote 1 – Operating Expenditures**

Total authorities available for use for Vote 1 - Operating expenditures increased by \$7.6 million (11.7%) as at June 30, 2023 compared to the prior fiscal year.

This increase is due to:

- \$5.2 million of new funding for the Clinical Trials fund;
- \$0.8 million of new funding for the National Strategy for Drugs for Rare Diseases;
- \$0.7 million increase in funding for the National Women’s Health Research Initiative;
- \$0.5 million of new funding for Dementia and Brain Health in Aging;
- \$0.4 million increase in funding for long-term health impacts of COVID-19;
- \$0.3 million increase in funding due to various immaterial adjustments;
- \$0.2 million increase in funding for Canada’s Black students and postdoctoral fellows; and,
- \$0.1 million decrease in net transfers from other government departments for specific programs and initiatives;
- \$0.2 million decrease in funding for post-traumatic stress disorder research; and
- \$0.2 million decrease in funding for supporting mental health affected by COVID-19.

Authorities used during the first quarter for Vote 1 – Operating Expenditures have increased by \$2.1 million (13.5%) as compared to the prior fiscal year. This variance is primarily due to an increase in personnel costs (\$1.9M) due to an increased employee count, an increase in transportation and communication costs (\$0.2M) as a result of increased staff travel and increased data communication costs, and an increase in cloud services fees and the rental of software licenses (\$0.2M). This increase is offset by minor decreases in information services (such as professional writing services and e-subscriptions) and other miscellaneous operating costs. The percentage of operating authorities used has increased from the prior year (24.2% and 23.9% respectively) as a result of the aforementioned reasons.

# Canadian Institutes of Health Research

## Quarterly Financial Report for the Quarter Ended June 30, 2023

Overall spending as of June 30, 2023 is consistent with CIHR management expectations and with the prior fiscal year (through the first quarter).

### Vote 5 – Grants

Authorities available for use for Vote 5 – Grants as of June 30, 2023 were \$1,276.0 million and included funding for the following transfer payment programs:

- Grants for research projects and personnel support – \$1,149.3 million
- Canada First Research Excellence Fund (CFREF) – \$47.2 million
- Canada Graduate Scholarships (CGS) – \$39.0 million
- Institute support grants – \$15.8 million
- Canada Excellence Research Chairs (CERC) – \$11.6 million
- Vanier Canada Graduate Scholarships – \$8.4 million
- Canada 150 Research Chairs (C150) – \$2.7 million
- College and Community Innovation Program (CCI) – \$1.6 million
- Business-Led Networks of Centres of Excellence (BL-NCE) – \$0.4 million

Vote 5 authorities available for use increased by \$106.2 million (9.1%) as of June 30, 2023 as compared to the prior fiscal year. This increase is due to the following:

- \$74.8 million of new funding for the Clinical Trials fund;
- \$14.3 million increase resulting from CIHR's participation in tri-agency programs in collaboration with the Natural Sciences and Engineering Research Council (NSERC) and the Social Sciences and Humanities Research Council (SSHRC). Funding for these programs varies by fiscal year as CIHR is allocated funding following each distinct competition depending on the successful applicants' alignment with CIHR's health-related mandate. CIHR received more funds in 2023-24 for the Canada First Research Excellence Fund (\$19.1 million), Canada Excellence Research Chairs (\$6.0 million), and, less funds for the College and Community Innovation Program (\$0.1 million), the Business Led Network Centres of Excellence (\$1.0 million), Centres of Excellence for Commercialization and Research (\$4.1 million), and the Network Centres of Excellence (\$5.6 million).
- \$6.4 million of new funding for the National Strategy for Drugs for Rare Diseases;
- \$4.4 million increase in funding for long-term health impacts of COVID-19;
- \$3.4 million increase in funding for the National Women's Health Research Initiative;
- \$3.3 million increase in net transfers from other government departments for specific programs and initiatives;
- \$2.5 million of new funding for Dementia and Brain Health in Aging;
- \$2.3 million increase in funding for Canada's Black students and postdoctoral fellows;
- \$0.5 million decrease in funding for the Canada Research Chairs;
- \$1.9 million decrease in funding for supporting mental health affected by COVID-19; and
- \$2.8 million decrease in funding for post-traumatic stress disorder research.

Grant authorities used during the first quarter of 2023-24 increased by \$13.9 million (5.3%) compared to the prior fiscal year quarter due to grant payments related to the increased funding mentioned above. The percentage of grant authorities used is consistent with the prior year (21.4% and 22.2% respectively) as grants are typically paid out in monthly installments throughout the year.

# Canadian Institutes of Health Research

## Quarterly Financial Report for the Quarter Ended June 30, 2023

Overall spending as of June 30, 2023 is consistent with CIHR management expectations and with the prior fiscal year (through the first quarter).

### **Statutory Authorities**

#### *Contribution to employee benefit plans*

Budgetary statutory authorities representing CIHR's contribution to employee benefit plans available for use increased year over year by \$1.1 million (14.7%). The increase to CIHR's statutory authorities available is due to:

- \$1.1 million of new funding for the Clinical Trials fund;
- \$0.2 million of new funding for the National Strategy for Drugs for Rare Diseases;
- \$0.2 million increase in funding for the National Women's Health Research Initiative;
- \$0.1 million increase in funding for long-term health impacts of COVID-19;
- \$0.1 million of new funding for Dementia and Brain Health in Aging;
- \$0.1 million increase in funding for Canada's Black students and postdoctoral fellows;
- \$0.1 million increase in funding due to various immaterial adjustments;
- \$0.1 million decrease in funding for supporting mental health affected by COVID-19; and,
- \$0.7 million decrease due to employee benefit plan adjustments from the Treasury Board Secretariat.

Actual spending for statutory authorities in the first quarter of 2023-24 is 25.0% of the total available authorities for use for the year, which is consistent with CIHR management expectations given that this expenditure is distributed equally throughout the fiscal year.

### ***2.2 Financial Highlights – Statement of Departmental Budgetary Expenditures by Standard Object (Refer to Section 6)***

As of June 30, 2023, total authorities available for use by CIHR increased by \$114.9 million (9.3%) compared to the prior fiscal year. Total authorities used as of June 30, 2023 increased by \$16.2 million (5.9%) compared to the prior fiscal year. These variances are reflected in Table 2.2.1 (where expenditure types are re-grouped into three categories: Personnel, Other Operating Expenditures and Transfer Payments) for further analysis.

# Canadian Institutes of Health Research

Quarterly Financial Report for the Quarter Ended June 30, 2023

**Table 2.2.1 – Changes to annual authorities available and authorities used during the first quarter (Q1) by expenditure type**

(\$ thousands)

	2023-24			2022-23			Variance	
	Annual authorities available	Q1 authorities used	% used	Annual authorities available	Q1 authorities used	% used	(1) vs (3)	(2) vs (4)
	(1)	(2)		(3)	(4)			
Personnel	67,193	17,667	26.3%	59,290	15,739	26.5%	13.3%	12.2%
Other Operating Expenditures	14,195	2,122	14.9%	13,344	1,676	12.6%	6.4%	26.6%
Transfer Payments	1,276,047	273,625	21.4%	1,169,851	259,773	22.2%	9.1%	5.3%
<b>Total</b>	<b>1,357,435</b>	<b>293,414</b>	<b>21.6%</b>	<b>1,242,485</b>	<b>277,188</b>	<b>22.3%</b>	<b>9.3%</b>	<b>5.9%</b>

## Personnel and Other Operating Expenditures

Authorities available for Personnel Expenditures for the period ended June 30, 2023 increased by \$7.9 million (13.3%) as compared to the prior year. Authorities available for Other Operating Expenditures increased by \$0.8 million (6.4%). These variances are due to:

- \$5.4 million (Personnel) and \$0.9 million (Other) of new funding for the Clinical Trials fund;
- \$0.9 million (Personnel) and \$0.1 million (Other) of new funding for the National Strategy for Drugs for Rare Diseases;
- \$0.8 million (Personnel) and \$0.1 million (Other) increase in funding for the National Women’s Health Research Initiative;
- \$0.6 million (Personnel) of new funding for Dementia and Brain Health in Aging;
- \$0.5 million (Personnel) increase in funding for long-term health impacts of COVID-19;
- \$0.5 million (Personnel) increase and \$0.1 million (Other) decrease due to other immaterial adjustments;
- \$0.3 million (Personnel) increase in funding for Canada’s Black students and postdoctoral fellows;
- \$0.1 million (Personnel) decrease in net transfers from other government departments for specific programs and initiatives;
- \$0.1 million (Personnel) and \$0.1 million (Other) decrease in funding for post-traumatic stress disorder research;
- \$0.2 million (Personnel) and \$0.1 million (Other) decrease in funding for supporting mental health affected by COVID-19; and,
- \$0.7 million (Personnel) decrease due to employee benefit plan adjustments from the Treasury Board Secretariat.

Personnel authorities used in the first quarter increased by \$1.9 million (12.2%) compared to the prior fiscal year, mainly due to an increased employee count. The percentage of authorities used for Personnel Expenditures in the first quarter (26.3%) is reasonable for this type of expenditure and is consistent with the prior year (26.5%).

# Canadian Institutes of Health Research

Quarterly Financial Report for the Quarter Ended June 30, 2023

Other Operating Expenditures used in the first quarter increased by \$0.4 million (26.6%) compared to the prior fiscal year. This increase is primarily due to increased spending related to travel, data communication services, cloud services fees and the rental of software licenses.

Overall spending as of June 30, 2023 is consistent with CIHR management expectations and with the prior fiscal year (through the first quarter).

## Transfer Payments

Authorities available for the period ended June 30, 2023 increased by \$106.2 million (9.1%) over the prior year due primarily to the re-profiled funds from fiscal year 2022-23 for the Clinical Trials fund, as well as, increases to existing funding and funding for new programs. As well, authorities used during the quarter ended June 30, 2023 increased by \$13.9 million (5.3%) compared to the prior fiscal year. The percentage of grant authorities used in the first quarter of 2023-24 (21.4%) is similar to the authorities used in the first quarter of 2022-23 (22.2%).

## 2.3 Other Non-Financial Highlights

Other non-financial highlights for the first quarter of 2023-24 include:

- On April 26, Minister Duclos and Minister Sajjan [announced](#) the recipients of the CIHR-CEPI Leadership Awards for Excellence in Vaccine Research for Infectious Diseases of Epidemic Potential as well as \$100 million in new funding from the Government of Canada to support the global Coalition for Epidemic Preparedness Innovation.
- On May 4, Minister Bennett [announced](#) funding for research under the Mental Health in the Early Years (MHTEY) initiative that will enhance our understanding of how to improve the systematic and equitable implementation of evidence-based interventions for young children and their caregivers.
- On June 1, Minister Duclos [announced](#) funding for 60 research teams composed of researchers, policy makers, and people with lived experience that will help build more resilient, equitable, and inclusive health systems across Canada.
- On June 29, Minister Bennett [announced](#) funding for three clinical trials that will examine the safety and effectiveness of psilocybin-assisted psychotherapy as a treatment for people experiencing mental health or substance use disorders.

## 3. Risks and uncertainties

CIHR is funded through voted parliamentary spending authorities and statutory authorities for operating expenditures and transfer payments. As a result, its operations are impacted by any changes to funding approved through Parliament. Delivering programs and services may depend on several risk factors such as economic fluctuations, technological and scientific development, evolving government priorities, and central agency or government-wide initiatives.

CIHR is committed to a disciplined, risk management process in its daily operations. In 2023–24, CIHR developed a new Corporate Risk Profile (CRP) through a cross-organizational consultation process led by an

# Canadian Institutes of Health Research

## Quarterly Financial Report for the Quarter Ended June 30, 2023

external consulting firm to identify current risks for the Agency. The CRP provides a proactive response to manage and monitor risks to ensure CIHR's ability to deliver on its mandate. The key risks identified for implementation in 2023–24 and 2024–25 are as follows.

### Risk 1 - Corporate Prioritization

*There is a risk that CIHR's current corporate prioritization process may cause it to establish new priorities without preplanning to ensure the necessary resources (e.g., infrastructure, staff, funding) are available thus risking the viability of initiatives, programs and Agency plans as well as expending available resources beyond sustainable levels.*

### Risk 2 - CIHR/Institutes' Authorities, Roles, and Responsibilities

*There is a risk that the lack of a clear governance framework within CIHR and between CIHR and the Institutes including the authorities, roles, and responsibilities may cause an important misalignment between who is accountable for what, and how decisions are made, leading to potential reputational damage to CIHR as well as inefficient decision-making and use of limited resources.*

### Risk 3 - Tri-Agency Grants Management Solution (TGMS)

*There is a risk that CIHR's current issues in sustaining the ongoing TGMS initiative could result in the failure of the TGMS project itself (or unacceptable delays in its operational delivery), thus leading to a significant loss of confidence in CIHR's role as an innovative leader in the health research eco-system.*

### Risk 4 – Cybersecurity

*There is a risk that CIHR's current IM/IT infrastructure (e.g., systems, software) and support framework (e.g., strategies, policies, procedures, expertise) may allow for significant cybersecurity incidents affecting confidentiality, integrity, and availability of services (core and/or critical).*

### Risk 5 – Research Funding Integrity

*There is a risk that the lack of a clearly defined, widely understood, and strictly applied research funding delivery framework compliant with applicable policy requirements (CIHR policies, Central Agency policies) may result in an uneven and/or non-compliant application of the research funding delivery process. This may significantly impact the process' integrity as well as CIHR's overall reputation and financial management autonomy.*

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

- On May 15, CIHR [announced](#) the appointment of Dr. Katherine Frohlich as the next Scientific Director of the CIHR Institute of Population and Public Health effective September 1, 2023.
- On May 31, CIHR President Dr. Michael Strong [announced](#) that he would not seek a second term to allow him to return full-time to his research program at Western University. The Privy Council Office is leading the process to appoint the next President. CIHR’s Executive Vice-President Catherine MacLeod will serve as acting President until the next President is in place.

#### **Approval by Senior Officials**

Approved by:

[original signed by]

[original signed by]

---

Catherine MacLeod  
Acting President

---

Jimmy Fecteau, MBA, CPA, CMA  
Chief Financial Officer

Ottawa, Canada  
August 28, 2023

**Canadian Institutes of Health Research**  
Quarterly Financial Report for the Quarter Ended June 30, 2023

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

**For the quarter ended June 30, 2023**

<i>(in thousands of dollars)</i>	<b>Fiscal year 2023-24</b>			<b>Fiscal year 2022-23</b>		
	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	72,522	17,573	17,573	64,901	15,482	15,482
Vote 5 - Grants	1,276,047	273,625	273,625	1,169,851	259,773	259,773
Budgetary statutory authorities						
Contributions to employee benefit plans	8,866	2,216	2,216	7,733	1,933	1,933
<b>Total budgetary authorities</b>	<b>1,357,435</b>	<b>293,414</b>	<b>293,414</b>	<b>1,242,485</b>	<b>277,188</b>	<b>277,188</b>

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

**Canadian Institutes of Health Research**  
 Quarterly Financial Report for the Quarter Ended June 30, 2023

6. Departmental budgetary expenditures by Standard Object (*unaudited*)  
**For the quarter ended June 30, 2023**

<i>(In thousands of dollars)</i>	<b>Fiscal year 2023-24</b>			<b>Fiscal year 2022-23</b>		
	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>Expenditures:</b>						
Personnel	67,193	17,667	17,667	59,290	15,739	15,739
Transportation and communications	1,488	233	233	3,152	16	16
Information	747	46	46	465	74	74
Professional and special services	8,880	524	524	6,791	523	523
Rentals	2,178	1,167	1,167	2,285	963	963
Repair and maintenance	27	48	48	80	37	37
Utilities, materials and supplies	220	85	85	234	-	-
Acquisition of machinery and equipment	655	16	16	337	8	8
Transfer payments	1,276,047	273,625	273,625	1,169,851	259,773	259,773
Other subsidies and payments	-	3	3	-	55	55
<b>Total budgetary expenditures</b>	<b>1,357,435</b>	<b>293,414</b>	<b>293,414</b>	<b>1,242,485</b>	<b>277,188</b>	<b>277,188</b>

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