

# **Canadian Institutes of Health Research**

## **Quarterly Financial Report for the Quarter Ended September 30, 2024**

# Canadian Institutes of Health Research

Quarterly Financial Report for the Quarter Ended September 30, 2024

## 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 2024-25 [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 2024-25 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 2024-25, as well as budget adjustments approved by Treasury Board up to September 30, 2024.

# Canadian Institutes of Health Research

Quarterly Financial Report for the Quarter Ended September 30, 2024

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

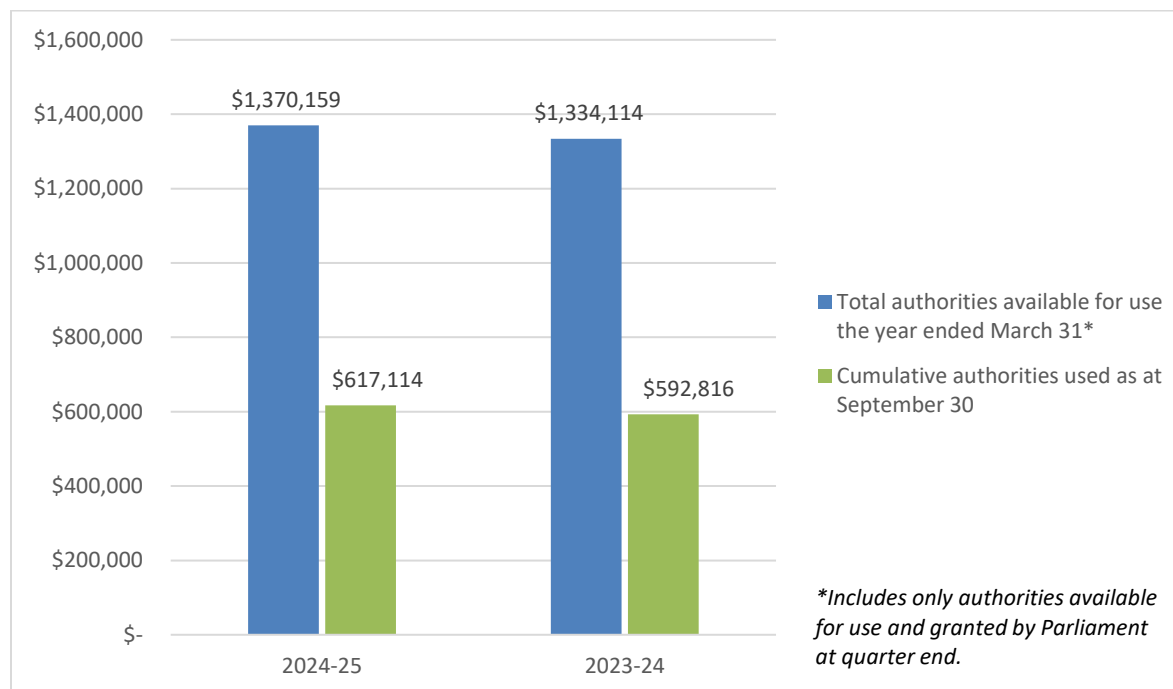
As of September 30, 2024, total authorities available for use for CIHR have increased by \$36.0 million (2.7%) compared to September 30, 2023 as shown in the table below. The increase to CIHR's total authorities available is due to:

- \$21.1 million increase in funding for the Clinical Trials Fund;
- \$12.8 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 2024-25 for the Canada First Research Excellence Fund (\$11.2 million), Canada Excellence Research Chairs (\$1.5 million), College and Community Innovation Program (\$0.5 million) and fewer funds for the Network Centres of Excellence (\$0.4 million);
- \$9.9 million of new funding to build a World-Class Health Data System for Canadians;
- \$6.4 million increase in funding for compensation adjustments for employee salaries;
- \$3.8 million increase in net transfers from other government departments for specific programs and initiatives;
- \$2.2 million increase in funding for Dementia and Brain Health in Aging (Budget 2022);
- \$0.7 million increase in funding for Canada's Black students and postdoctoral fellows;
- \$0.1 million decrease in funding due to various immaterial adjustments
- \$0.4 million decrease due to reductions to travel and professional services through Budget 2023;
- \$1.2 million decrease due to employee benefit plan adjustments from the Treasury Board Secretariat;
- \$2.1 million decrease in funding for Eliminating Cervical Cancer in Canada (sunsetting);
- \$2.6 million decrease in the operating budget carryforward; and,
- \$14.5 million decrease in funding for Pediatric Cancer (sunsetting).

Total authorities used as of September 30, 2024 increased by \$24.3 million (4.1%) compared to the prior fiscal year due mainly to the grant payments related to the increased funding mentioned above. CIHR has used 45.0% (44.4% in 2023-24) of its available authorities through the second quarter which is consistent with its annual spending pattern.

**Canadian Institutes of Health Research**  
 Quarterly Financial Report for the Quarter Ended September 30, 2024

**Figure 2.1.1 Total annual authorities available and cumulative authorities used.**  
 (\$ thousands)

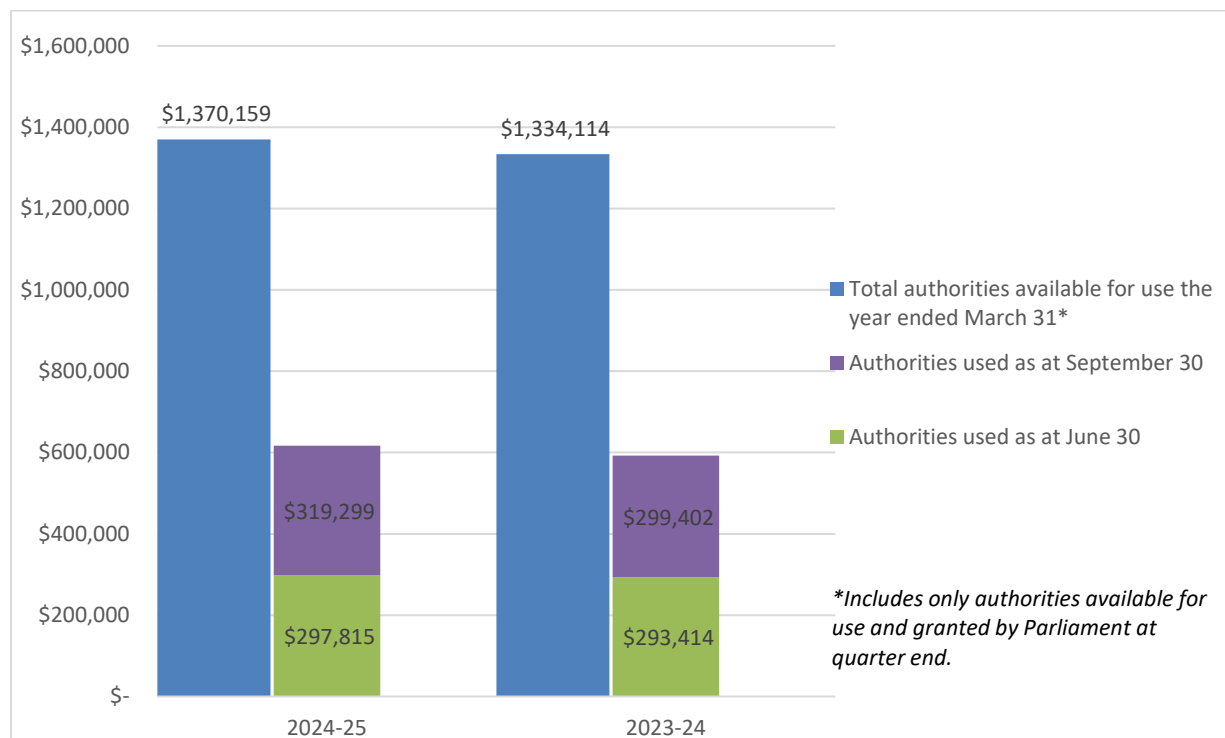


**Table 2.1.1 – Changes to annual authorities available and cumulative authorities used by vote.**  
 (\$ thousands)

	2024-25			2023-24			Variance	
	Annual authorities available	Cumulative authorities used (as at September 30)	% used	Annual authorities available	Cumulative authorities used (as at September 30)	% used	(1) vs (3)	(2) vs (4)
	(1)	(2)		(3)	(4)			
Vote 1 - Operating Expenditures	76,749	34,443	44.9%	73,737	35,697	48.4%	4.1%	(3.5%)
Vote 5 - Grants	1,284,600	578,266	45.0%	1,251,511	552,686	44.2%	2.6%	4.6%
Statutory Authorities – Employee benefits plan	8,810	4,405	50.0%	8,866	4,433	50.0%	(0.6%)	(0.6%)
<b>Total</b>	<b>1,370,159</b>	<b>617,114</b>	<b>45.0%</b>	<b>1,334,114</b>	<b>592,816</b>	<b>44.4%</b>	<b>2.7%</b>	<b>4.1%</b>

**Canadian Institutes of Health Research**  
 Quarterly Financial Report for the Quarter Ended September 30, 2024

**Figure 2.1.2 Total annual authorities available and authorities used by quarter.**  
 (\$ thousands)



**Table 2.1.2 – Changes to annual authorities available and authorities used during the second quarter by vote**  
 (\$ thousands)

	2024-25			2023-24			Variance	
	Annual authorities available	Q2 authorities used	% used	Annual authorities available	Q2 authorities used	% used	(1) vs (3)	(2) vs (4)
	(1)	(2)		(3)	(4)			
Vote 1 - Operating Expenditures	76,749	15,779	20.6%	73,737	18,124	24.6%	4.1%	(12.9%)
Vote 5 – Grants	1,284,600	301,317	23.5%	1,251,511	279,062	22.3%	2.6%	8.0%
Statutory Authorities – Employee benefits plan	8,810	2,202	25.0%	8,866	2,216	25.0%	(0.6%)	(0.6%)
<b>Total</b>	<b>1,370,159</b>	<b>319,298</b>	<b>23.3%</b>	<b>1,334,114</b>	<b>299,402</b>	<b>22.4%</b>	<b>2.7%</b>	<b>6.6%</b>

# Canadian Institutes of Health Research

Quarterly Financial Report for the Quarter Ended September 30, 2024

## Vote 1 – Operating Expenditures

Total authorities available for use for Vote 1 - Operating expenditures increased by \$3.0 million (4.1%) as at September 30, 2024 compared to the prior fiscal year.

This increase is due to:

- \$5.4 million increase in funding for compensation adjustments for employee salaries;
- \$0.9 million of new funding to build a World-Class Health Data System for Canadians;
- \$0.3 million increase in funding for Clinical Trials Fund;
- \$0.1 million increase in funding due to various immaterial adjustments;
- \$2.6 million decrease in the operating budget carryforward
- \$0.3 million decrease in net transfers from other government departments for specific programs and initiatives;
- \$0.4 million decrease in funding for Pediatric Cancer (sunsetting); and
- \$0.4 million decrease due to reductions to travel and professional services through Budget 2023

Authorities used through the second quarter for Vote 1 – Operating Expenditures have decreased by \$1.2 million (3.5%) as compared to the prior fiscal year. This variance is primarily due to a decrease in personnel costs (\$1.0M), a decrease in professional services (\$0.7M) resulting in part from a decrease in management consulting services, a decrease in transportation and communication costs (\$0.2M) resulting from a decrease in telecommunication services and public servant travel and a decrease in materials and supplies costs (\$0.1M). This decrease is offset by an increase in information services costs (\$0.2M) mainly due to an increase in database access and subscription services, an increase for the rental of informatics equipment (\$0.4M) and an increase for other subsidies and payments (\$0.2M). The percentage of operating authorities used has decreased from the prior year (44.9% and 48.4% respectively) as a result of the aforementioned reasons.

Overall spending as of September 30, 2024 is consistent with CIHR management expectations and with the prior fiscal year (through the second quarter).

## Vote 5 – Grants

Authorities available for use for Vote 5 – Grants as of September 30, 2024 were \$1,284.6 million and included funding for the following transfer payment programs:

- Grants for research projects and personnel support – \$1,142.5 million
- Canada First Research Excellence Fund (CFREF) – \$58.4 million
- Canada Graduate Scholarships (CGS) – \$41.9 million
- Institute support grants – \$15.6 million
- Canada Excellence Research Chairs (CERC) – \$13.1 million
- Vanier Canada Graduate Scholarships – \$8.4 million
- Canada 150 Research Chairs (C150) – \$2.7 million
- College and Community Innovation Program (CCI) – \$2.0 million

# Canadian Institutes of Health Research

Quarterly Financial Report for the Quarter Ended September 30, 2024

Vote 5 authorities available for use increased by \$33.1 million (2.6%) as of September 30, 2024 as compared to the prior fiscal year. This increase is due to the following:

- \$20.8 million increase in funding for the Clinical Trials Fund;
- \$12.8 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 2024-25 for the Canada First Research Excellence Fund (\$11.2 million), Canada Excellence Research Chairs (\$1.5 million), College and Community Innovation Program (\$0.5 million) and fewer funds for the Network Centres of Excellence (\$0.4 million);
- \$8.8 million of new funding to build a World-Class Health Data System for Canadians;
- \$4.1 million increase in net transfers from other government departments for specific programs and initiatives;
- \$2.2 million increase in funding for Dementia and Brain Health in Aging (Budget 2022);
- \$0.7 million increase in funding for Canada's Black students and postdoctoral fellows;
- \$2.1 million decrease in funding for Eliminating Cervical Cancer in Canada (sunsetting);
- \$0.1 million decrease in funding due to various immaterial adjustments; and,
- \$14.1 million decrease in funding for Pediatric Cancer (sunsetting).

Grant authorities used through the second quarter of 2024-25 increased by \$25.6 million (4.6%) 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 (45.0% and 44.2% respectively) as grants are typically paid out in monthly installments throughout the year.

Overall spending as of September 30, 2024 is consistent with CIHR management expectations and with the prior fiscal year (through the second quarter).

## Statutory Authorities

### Contribution to employee benefit plans

Budgetary statutory authorities representing CIHR's contribution to employee benefit plans available for use decreased year over year by \$0.1 million (0.6%). The decrease to CIHR's statutory authorities available is due to:

- \$1.0 million increase in funding for compensation adjustments for employee salaries;
- \$0.2 million of new funding to build a World-Class Health Data System for Canadians;
- \$0.1 million decrease in funding due to various immaterial adjustments; and
- \$1.2 million decrease due to employee benefit plan adjustments from the Treasury Board Secretariat.

Actual spending for statutory authorities in the second quarter of 2024-25 is 50.0% 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.

# Canadian Institutes of Health Research

Quarterly Financial Report for the Quarter Ended September 30, 2024

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

As of September 30, 2024, total authorities available for use by CIHR increased by \$36.0 million (2.7%) compared to the prior fiscal year. Total authorities used as of September 30, 2024 increased by \$24.3 million (4.1%) 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.

**Table 2.2.1 – Changes to annual authorities available and cumulative authorities used by expenditure type.**  
(\$ thousands)

	2024-25			2023-24			Variance	
	Annual authorities available	Q2 authorities used	% used	Annual authorities available	Q2 authorities used	% used	(1) vs (3)	(2) vs (4)
	(1)	(2)		(3)	(4)			
Personnel*	72,992	34,822	47.7%	66,621	35,886	53.9%	9.6%	(3.0%)
Other Operating Expenditures	12,567	4,026	32.0%	15,982	4,244	26.6%	(21.4%)	(5.1%)
Transfer Payments	1,284,600	578,266	45.0%	1,251,511	552,686	44.2%	2.6%	4.6%
<b>Total</b>	<b>1,370,159</b>	<b>617,114</b>	<b>45.0%</b>	<b>1,334,114</b>	<b>592,816</b>	<b>44.4%</b>	<b>2.7%</b>	<b>4.1%</b>

\* Personnel includes statutory authorities provided for the employee benefit plan

**Table 2.2.2 – Changes to annual authorities available and authorities used during the second quarter by expenditure type**  
(\$ thousands)

	2024-25			2023-24			Variance	
	Annual authorities available	Q2 authorities used	% used	Annual authorities available	Q2 authorities used	% used	(1) vs (3)	(2) vs (4)
	(1)	(2)		(3)	(4)			
Personnel*	72,992	16,056	22.0%	66,621	18,215	27.3%	9.6%	(11.9%)
Other Operating Expenditures	12,567	1,925	15.3%	15,982	2,125	13.3%	(21.4%)	(9.4%)
Transfer Payments	1,284,600	301,317	23.5%	1,251,511	279,062	22.3%	2.6%	8.0%
<b>Total</b>	<b>1,370,159</b>	<b>319,298</b>	<b>23.3%</b>	<b>1,334,114</b>	<b>299,402</b>	<b>22.4%</b>	<b>2.7%</b>	<b>6.6%</b>

\* Personnel includes statutory authorities provided for the employee benefit plan



# Canadian Institutes of Health Research

Quarterly Financial Report for the Quarter Ended September 30, 2024

## Personnel and Other Operating Expenditures

Authorities available for Personnel Expenditures for the period ended September 30, 2024 increased by \$6.3 million (9.6%) as compared to the prior year. Authorities available for Other Operating Expenditures decreased by \$3.4 million (21.4%). These variances are due to:

- \$6.4 million (Personnel) increase in funding for compensation adjustments for employee salaries;
- \$0.9 million (Personnel) and \$0.2 million (Other) of new funding to build a World-Class Health Data System for Canadians;
- \$0.3 million (Personnel) increase and \$2.9 million (Other) decrease in the operating budget carryforward;
- \$0.2 million (Personnel) and \$0.1 million (Other) increase in funding for the Clinical Trials Fund;
- \$0.1 million (Personnel) increase and \$0.1 million (Other) decrease due to other immaterial adjustments;
- \$0.3 million (Other) decrease in net transfers from other government departments for specific programs and initiatives;
- \$0.4 million (Other) decrease due to reductions to travel and professional services through Budget 2023;
- \$0.4 million (Personnel) decrease in funding for Pediatric Cancer (sunsetting); and
- \$1.2 million (Personnel) decrease due to employee benefit plan adjustments from the Treasury Board Secretariat.

Personnel authorities used in the second quarter decreased by \$2.2 million (11.9%) compared to the prior fiscal year, mainly due to a decreased employee count, a decrease in acting assignments and a decrease in the number of students hired. Accordingly, the percentage of authorities used for Personnel Expenditures in the second quarter (22.0%) decreased when compared to the prior year (27.3%).

Other Operating Expenditures used in the second quarter decreased by \$0.2 million (9.4%) when compared to the prior fiscal year. This decrease is mainly due to a decrease in professional services (\$0.6M) such as management consulting services, a decrease in the acquisition of machinery and equipment (\$0.1M) such as computer equipment, a decrease in information services (\$0.1M) such as database access and subscription services and other immaterial decreases. These decreases were offset by increases for rentals of informatics equipment (\$0.4M), an increase in other subsidies and payments (\$0.2M) and other immaterial increases.

Overall spending as of September 30, 2024 is consistent with CIHR management expectations and with the prior fiscal year (through the second quarter).

## Transfer Payments

Authorities available for the period ended September 30, 2024 increased by \$33.1 million (2.6%) over the prior year due primarily to additional health research funding discussed in Section 2.1. Authorities used through the quarter ended September 30, 2024 increased by \$25.6 million (4.1%) compared to the prior fiscal year. The percentage of grant authorities used in the second quarter of 2024-25 (23.5%) is comparable to the authorities used in the second quarter of 2023-24 (22.3%).

# Canadian Institutes of Health Research

Quarterly Financial Report for the Quarter Ended September 30, 2024

## 2.3 Other Non-Financial Highlights

Other non-financial highlights for the second quarter of 2024-25 include:

- On July 11, Minister Holland and Minister Saks [announced](#) more than \$47 million for research projects to help support Canada's health workforce, including \$22.5 million to Health Workforce Canada; \$13 million to the Medical Council of Canada; more than \$330,000 to the Federation of Medical Regulatory Authorities of Canada; and \$11.6 million from CIHR to and partners that are investigating ways to strengthen and support Canada's health workforce.
- On July 18, Minister Holland [announced](#) that the Government of Canada and partners are investing \$19.3 million to support nine research teams to study ongoing, new, and emerging threats to lung health, including the impact of poor air quality and wildfire smoke, treatments for lung cancer, and the effects of vaping.
- On August 13, Minister Holland [announced](#) an investment of more than \$43 million to support 14 new clinical trials focused on preparing Canada to respond to future health emergencies and advancing the country's life sciences sector.
- On September 10, Minister Holland [announced](#) that the Government of Canada and partners, Heart & Stroke and Brain Canada, are investing \$10M to establish two new national research networks for women's heart and brain health.

## 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 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 not allow for sufficient oversight and controls to ensure new Agency priorities are sufficiently resourced (e.g., infrastructure, staff, funding), and that overall existing priorities are resourced properly.*

### 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 in terms*

## Canadian Institutes of Health Research

Quarterly Financial Report for the Quarter Ended September 30, 2024

*of 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 may not be able to respond adequately to the expectations of its stakeholder community with regards to a modern, user-friendly, and flexible granting system, predicated on a harmonized granting business process approach. This risk is coupled with the risk that TGMS uptake on the part of the research community may be slow and protracted due to inadequate change management and legacy system transitioning practices. Should these risks materialize, health research stakeholders would significantly lose 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 Partnerships

*CIHR and partners can have different and sometimes conflicting mandates and accountabilities (i.e., taxpayers, boards, donors) which can create policy and process misalignment and tension within the partnership. A formally documented policy on consulting and collaborating, subject to periodic review and updates, is needed to allow CIHR and partners to work collaboratively and efficiently together. Without this framework there is a risk associated with partnered competitions and initiatives, specifically: 1) the inconsistent interpretation and application of Central Agency policies by CIHR, and 2) conflicting or misaligned policies and/or delivery requirements between CIHR and its partners. This could affect CIHR's reputation and potentially lead to an uneven application of the research funding delivery process.*

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

In Budget 2024, the Government of Canada [announced](#) the creation of a new capstone research funding organization within which the granting councils will continue to exist, with their focus on supporting excellence in investigator-driven research and actively contributing to the collective and strategic direction of the new organization. On June 17, 2024, the Government of Canada asked the three federal research funding agencies to jointly undertake engagement with the research community by July 2024. This engagement will help inform the Government of Canada's ongoing work to create the new organization and structure. Further details on these efforts will be provided in the 2024 Fall Economic Statement.

# Canadian Institutes of Health Research

Quarterly Financial Report for the Quarter Ended September 30, 2024

## Approval by Senior Officials

Approved by:

[original signed by]

[original signed by]

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Tammy Clifford, PhD  
Acting President

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Jimmy Fecteau, MBA, CPA, CMA  
Chief Financial Officer

Ottawa, Canada  
November 29, 2024

## Canadian Institutes of Health Research

Quarterly Financial Report for the Quarter Ended September 30, 2024

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

For the quarter ended September 30, 2024

<i>(in thousands of dollars)</i>	Fiscal year 2024-25			Fiscal year 2023-24		
	Total available for use for the year ending March 31, 2025 *	Used during the quarter ended September 30, 2024	Year to date used at quarter-end	Total available for use for the year ending March 31, 2024 *	Used during the quarter ended September 30, 2023	Year to date used at quarter-end
Vote 1 – Operating expenditures	76,749	15,779	34,443	73,737	18,124	35,697
Vote 5 - Grants	1,284,600	301,317	578,266	1,251,511	279,062	552,686
Budgetary statutory authorities						
Contributions to employee benefit plans	8,810	2,202	4,405	8,866	2,216	4,433
<b>Total budgetary authorities</b>	<b>1,370,159</b>	<b>319,298</b>	<b>617,114</b>	<b>1,370,159</b>	<b>299,402</b>	<b>592,816</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 September 30, 2024

## 6. Departmental budgetary expenditures by Standard Object (*unaudited*) For the quarter ended September 30, 2024

<i>(In thousands of dollars)</i>	Fiscal year 2024-25			Fiscal year 2023-24		
	Planned expenditures for the year ending March 31, 2025 *	Expended during the quarter ended September 30, 2024	Year to date used at quarter-end	Planned expenditures for the year ending March 31, 2024 *	Expended during the quarter ended September 30, 2023	Year to date used at quarter-end
<b>Expenditures:</b>						
Personnel	72,992	16,056	34,822	66,621	18,215	35,886
Transportation and communications	768	125	205	853	141	373
Information	629	48	390	845	104	150
Professional and special services	6,434	633	1,004	9,906	1,222	1,746
Rentals	4,303	859	2,011	3,276	501	1,667
Repair and maintenance	167	28	56	44	(22)	26
Utilities, materials and supplies	28	-	4	301	40	124
Acquisition of machinery and equipment	238	33	143	757	139	155
Transfer payments	1,284,600	301,317	578,266	1,251,511	279,062	552,686
Other subsidies and payments	-	199	213	-	-	3
<b>Total budgetary expenditures</b>	<b>1,370,159</b>	<b>319,298</b>	<b>617,114</b>	<b>1,334,114</b>	<b>299,402</b>	<b>592,816</b>

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