



ESTIMATES

Security Intelligence Review Committee

2000-2001
Estimates

Part III – Report on Plans and Priorities

Canada

The Estimates Documents

Each year, the government prepares Estimates in support of its request to Parliament for authority to spend public monies. This request is formalized through the tabling of appropriation bills in Parliament. The Estimates, which are tabled in the House of Commons by the President of the Treasury Board, consist of three parts:

Part I – The Government Expenditure Plan provides an overview of federal spending and summarizes both the relationship of the key elements of the Main Estimates to the Expenditure Plan (as set out in the Budget).

Part II – The Main Estimates directly support the *Appropriation Act*. The Main Estimates identify the spending authorities (votes) and amounts to be included in subsequent appropriation bills. Parliament will be asked to approve these votes to enable the government to proceed with its spending plans. Parts I and II of the Estimates are tabled concurrently on or before 1 March.

Part III – Departmental Expenditure Plans which is divided into two components:

- (1) **Reports on Plans and Priorities (RPPs)** are individual expenditure plans for each department and agency (excluding Crown corporations). These reports provide increased levels of detail on a business line basis and contain information on objectives, initiatives and planned results, including links to related resource requirements over a three-year period. The RPPs also provide details on human resource requirements, major capital projects, grants and contributions, and net program costs. They are tabled in Parliament by the President of the Treasury Board on behalf of the ministers who preside over the departments and agencies identified in Schedules I, I.1 and II of the *Financial Administration Act*. These documents are to be tabled on or before 31 March and referred to committees, which then report back to the House of Commons pursuant to Standing Order 81(4).
- (2) **Departmental Performance Reports (DPRs)** are individual department and agency accounts of accomplishments achieved against planned performance expectations as set out in respective RPPs. These Performance Reports, which cover the most recently completed fiscal year, are tabled in Parliament in the fall by the President of the Treasury Board on behalf of the ministers who preside over the departments and agencies identified in Schedules I, I.1 and II of the *Financial Administration Act*.

The Estimates, along with the Minister of Finance's Budget, reflect the government's annual budget planning and resource allocation priorities. In combination with the subsequent reporting of financial results in the Public Accounts and of accomplishments achieved in Departmental Performance Reports, this material helps Parliament hold the government to account for the allocation and management of public funds.

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Security Intelligence Review Committee

2000-2001 Estimates

Report on Plans and Priorities

The Right Honourable Jean Chrétien
Prime Minister of Canada

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Section I: Chair's Message

Chair of the Security Intelligence Review Committee The Honourable Paule Gauthier, P.C., O.C., Q.C.

A. Message

Within the Government of Canada, the Security Intelligence Review Committee (SIRC) is unique in that our work consists almost entirely of reviewing and monitoring the actions of another government agency. Our Members are selected in a consultative, non-partisan manner and then given extraordinary powers of inquiry into the activities of the Canadian Security Intelligence Service (CSIS). The law prevents us from passing on to the general public a great deal of what we learn through those inquiries, yet public trust and confidence in our efforts is the basis of the Committee's work.

These somewhat unusual characteristics stem directly from the responsibility that Parliament has given the Committee: to watch over Canada's security service while it carries out its mandated tasks of protecting the national security of Canada and the safety of Canadians.

As the world enters a new millennium, we recognize that an effective intelligence organization is essential to maintaining Canadians' well being, and protecting the nation from very real and dangerous threats. The threats have changed: they have become more complex, more numerous and more difficult to identify. We are equally aware, however, that organizations like CSIS possess extraordinary intrusive powers, and they must be held accountable if the integrity of Canada's democratic process is to be maintained, and is to be *seen* to be maintained.

Public concern about the state's intrusion into everyday life is entirely valid. The public must be confident that the activities engaged in by intelligence agencies to protect the security of Canada are conducted within the law. It is in this context that the role of SIRC has become more essential, more critical to the public's peace of mind.

A constant feature of our activities is the need to maintain our arms-length distance from CSIS in order to retain our objectivity. Our vigilance and where required, our constructive criticism, can produce tension between the two organizations. We believe that this tension ultimately benefits Canada and all Canadians.

Recent Canadian history shows that a security service without effective external review will neither gain nor keep the confidence of the public. The other Members of the Committee and I are confident of SIRC's ability to carry out this vital work, now and in the years to come.

The Review Committee's main efforts in the next few years will focus on two challenges: the evolving international security environment, and responsible financial management.

The role of the security and intelligence agencies in the West has evolved from countering the threat from the former Warsaw Pact, to coping with a wide range of threats - both old and new. The redirection of resources in CSIS to meet these threats has also had an impact on our priorities and resources. We have recently obtained additional resources in order to maintain our high standard of performance while remaining abreast of the many changes on the world and domestic scenes. Members and staff alike are committed to improving the Committee's effectiveness in the operational and financial management spheres in the current and future years.

B. Management Representation

Report on Plans and Priorities 2000-2001

I submit, for tabling in Parliament, the 2000-2001 Report on Plans and Priorities (RPP) for
The Security Intelligence Review Committee

To the best of my knowledge the information:

- Accurately portrays the Committee's mandate, priorities, strategies and planned results of the organization.
- Is consistent with the disclosure principles contained in the *Guidelines for Preparing a Report on Plans and Priorities*.
- Is comprehensive and accurate.
- Is based on sound underlying Committee information and management systems.

I am satisfied as to the quality assurance processes and procedures used for the RPP's production.

The Planning and Reporting Accountability Structure (PRAS) on which this document is based has been approved by Treasury Board Ministers and is the basis for accountability for the results achieved with the resources and authorities provided.

Susan Pollak
Executive Director

February 2000

Section II: Departmental Overview

A. Mandate, Roles and Responsibilities

The Committee derives its powers from the *Canadian Security Intelligence Service Act* promulgated on July 16, 1984. The first Chair and Members were appointed by His Excellency the Governor General on November 30, 1984.

The Committee is empowered to set its own Rules of Procedure, and to employ an executive director and adequate staff to support its activities. The *Act* requires the Committee to report annually to the Solicitor General of Canada who must, in turn, table the report in each House of Parliament on any of the first fifteen days on which that House is sitting after the day the Minister receives it. The Committee may also require CSIS or the Inspector General appointed under the *CSIS Act* to conduct a review of specific activities of the Service and provide the Committee with a report of the review.

The Security Intelligence Review Committee fulfills two different and distinct functions in carrying out its mandate: to provide external review of the Canadian Security Intelligence Service; and to examine complaints by individuals or reports from Ministers concerning security clearances, immigration, citizenship, and other matters involving CSIS investigations.

External Review of CSIS -- Parliament has given CSIS extraordinary powers to intrude on the privacy of suspected terrorists or spies. To protect the rights and freedoms of Canadians, SIRC has been given the power to investigate CSIS' activities so as to ensure that the Service's powers are used legally and appropriately. With the exception of Cabinet confidences, SIRC has the absolute authority to examine all information concerning CSIS' activities, no matter how highly classified that information may be.

The Committee reviews CSIS activities, and reports to Parliament on whether the Service is acting within the limits of the law and is effectively protecting the security of Canadians. As part of its regular review functions, each year the Committee examines special areas of interest. Thus, it has reviewed CSIS investigations in the areas of transnational criminal activity, economic security, proliferation of weapons of mass destruction, and campus operations. These major special reviews allow the Committee to provide in-depth findings on potential areas of concern.

Investigation of Complaints -- SIRC's second role is to investigate complaints. The Committee investigates complaints concerning denials of security clearances to government employees or contractors. It also investigates reports from Ministers involving immigration, citizenship, certain human rights matters, and organized crime. Finally, the Committee investigates complaints from the general public concerning any act or thing done by CSIS.

Complaints cases involve people's fundamental rights. Denials of security clearances affect employment and future career prospects. Citizenship or immigration actions can lead to removal from Canada. The Committee must thus ensure that individuals so affected are provided with as much information as possible within the limits of national security requirements. The Committee must also ensure that, to the extent possible, every complainant has an opportunity to be heard, to present his or her witnesses, and make his or her case.

B. Departmental/Program Objective

To provide external review of the Canadian Security Intelligence Service performance of its duties and functions; and to examine complaints by individuals or reports by Ministers related to security clearances and the national security of Canada.

C. External Factors Influencing the Committee

Demands of Special Projects -- SIRC has a small number of employees to conduct research, yet they must review many files each year in order to report to the Canadian public and to Parliament on CSIS' investigative activities. The statutory requirements also set out broad areas for ongoing audits of CSIS' work. In addition, the Committee has often been asked to undertake, or has undertaken on its own initiative, many major projects concerning matters in the public interest, such as the Air India tragedy, the Boivin case, the Heritage Front Affair, and CSIS cooperation with the Royal Canadian Mounted Police. To meet the resource demands of these investigations and then to respond to Parliament's requests for information about them requires the Committee to maintain the capability to redirect research resources to high profile issues on very short notice and for lengthy periods.

Evolution of the International Security Environment -- When looking at the threats to Canada's national security, it is recognized that the world's security environment has largely changed from the Cold War era's long-running threats, such as espionage by intelligence services, to the reappearance of nationalist and religious extremism, which have proven to be much less predictable. The Committee has conducted research and expended some resources to examine whether the new movements and activities that have arisen, such as some forms of economic espionage and transnational crime, constitute "threats" to national security as defined by the *CSIS Act*.

Expectations of Clients -- The Committee has two clients: the general public and Parliament. Both expect SIRC to provide a comprehensive, annual assessment of CSIS' use of its powers. The review provides a form of "report card" to Parliament and the public which can be used to measure CSIS' performance. It must be designed so as to preserve the Service's capacity to protect national security while at the same time maintaining public confidence that the system is

functioning as it should. These clients also expect the Committee to respond to controversial issues in a timely fashion.

Frequency and Complexity of Complaints and Ministerial Reports -- A major external factor currently influencing the Review Committee's capacity to fulfill its mandate is the volume and the complexity of the complaints and Ministerial Reports received. The Committee conducts investigations in relation to complaints made by any person with respect to any act or thing done by the Service (section 41 of the *CSIS Act*), complaints made by individuals who are denied a security clearance and are adversely affected in their employment with the Government of Canada (section 42 of the *CSIS Act*), reports made to the Committee pursuant to the *Citizenship Act* or the *Immigration Act*, as well as matters referred to the Committee pursuant to the *Canadian Human Rights Act*.

Because complaints and Ministerial Reports are very time consuming and require expensive legal services, small changes in their numbers can significantly affect the Committee's budget and operations. By their nature, predicting the volume of complaints and ministerial reports is very difficult; however, the Committee is still anticipating an increase in the number of Ministerial Reports received as a result of a 1993 amendment to the *Immigration Act*. This amendment broadened the category of individuals who can be denied immigrant status because of previous connections with terrorist activities. In spite of increased screening efforts in the immigration program, individuals who constitute a threat to the security of Canada may gain permanent resident status. Any Ministerial Report generated to deal with such individuals must come before the Committee.

Review Committee Adjustment to Continued Government Restraint -- For fifteen years the Committee has managed its activities within the resource levels established in 1985. The Committee's budget has included very little discretionary spending since its greatest expense is for personnel salaries and benefits. In order to live within its steadily reduced resources, the Committee had significantly reduced its expenditures over the last few years, especially in the area of Professional Services and Travel. However, last year the Committee experienced a significant and non-discretionary increase in its quasi-judicial (complaints) proceedings.

Complaints Program - The investigation of complaints is the most expensive area of discretionary spending, and it bore the brunt of recent budget cuts. To deal with the reductions, the Committee has done more work "in house", and used outside lawyers less. More pre-hearing meetings are being conducted by Committee staff to better focus the issues to be dealt with in hearings.

Notwithstanding the above measures, in 1998-99, the number of hearing days increased threefold from the previous year, and the forecast is that 1999-2000 and subsequent years will see the workload increase. This factor has placed a particular burden on SIRC's resources.

The Committee has no control over the number of complaints it receives in any given year. We anticipate that the number of complaints or Ministerial Reports we receive during the next two fiscal years will be similar to the number received in 1998-99 and 1999-2000. Not only has the caseload of complaints risen but, more importantly, the cases have become more complex. We will assign additional resources to this program to ensure that the complaints received by SIRC will be handled in a timely manner.

Review Program - The Committee's travel, both for regional visits and for travel abroad at the invitation of other countries wishing to benefit from the Canadian experience in the review process, has also placed an increasing burden on its resources.

Several factors account for this situation. Of particular note are the end of the Cold War and the collapse of the apartheid regime in South Africa, with the result that the emerging democracies have sought the advice of the Committee in their efforts to establish institutions for the review or oversight of their intelligence agencies. In 1999-2000 the Committee hosted an International Review Agencies Conference whereby Canadian and foreign review bodies had a unique opportunity to benefit from one another's experiences.

In addition, the significant expansion of CSIS agreements to share information with foreign agencies requires the Committee to be knowledgeable about those other states, to familiarize those states with the functions of SIRC, and that Committee staff conduct audits of the Service's posts abroad.

General - In 1999-2000, for the first time since 1997, the Committee had a full complement of Researchers and Committee Members. While this is essential for the Committee to fulfill its mandate, it has also resulted in an increase in expenditures. Further, all Research positions were staffed in 1999 to implement the Committee's ambitious review program and this has had an impact on salaries and on travel resources.

Major expenditures were also required to upgrade the computer infrastructure and to purchase security-certified hardware for the new staff. This costly technology is necessary to support the Committee's functions and to meet the stringent security requirements for handling highly classified information.

The Committee believes that these steps will allow SIRC to maintain or improve the performance of its responsibilities to Parliament and the public.

D. Departmental Planned Spending

(\$ thousands)	Forecast Spending 1999-2000*	Planned Spending 2000-2001	Planned Spending 2001-2002	Planned Spending 2002-2003
Budgetary Main Estimates (gross)	1,928	1,405	1,405	1,405
Non-Budgetary Main Estimates (gross)	0	0	0	0
Less: Respendable Revenue	0	0	0	0
Total Main Estimates	1,928	1,405	1,405	1,405
Adjustments**	0	860	860	860
Net Planned Spending	1,928	2,265	2,265	2,265
Less: Non-respendable revenue	0	0	0	0
Plus: Cost of services received without charge	194	194	194	194
Net Cost of Program	2,122	2,459	2,459	2,459
Full Time Equivalents	14	15	15	15

* Reflects the best forecast of total net planned spending to the end of the fiscal year.

** Adjustments are to accommodate approvals obtained since the Annual Reference Level Update (ARLU) exercise and to include Budget initiatives.

III: Plans, Results and Resources

A. Net Planned Spending (Thousands of Dollars) and Full Time Equivalents (FTE)

Forecast Spending 1999-2000	Planned Spending 2000-2001	Planned Spending 2001-2002	Planned Spending 2002-2003
1,928*	2,265	2,265	2,265
14 FTE	15 FTE	15 FTE	15 FTE

* Reflects the best forecast of total net planned spending to the end of the fiscal year.

B. Business Line Objective

To provide external review of the Canadian Security Intelligence Service performance of its duties and functions; and to examine complaints by individuals or reports by Ministers related to security clearances and the national security of Canada.

C. Business Line Description

The Security Intelligence Review Committee (SIRC) has two different and distinct service lines: to provide external review of the Canadian Security Intelligence Service (CSIS); and to examine complaints by individuals or reports from Ministers concerning security clearances, Immigration, Citizenship, and other matters involving CSIS investigations.

D. Key Results Commitments, Planned Results, Related Activities, and Resources

Key Results Commitments–

- ▶ Ensure that Parliament and the public have confidence in the rigour of SIRC's review process and, therefore, are satisfied that CSIS uses its extraordinary powers within the law and in a way that protects the civil rights of Canadians to the greatest extent possible.
- ▶ Ensure that CSIS operates effectively in protecting Canadians from terrorist or other threats to national security.
- ▶ Provide high quality annual and research reports.

- ▶ Be the most trusted and widely used independent source of information about CSIS' activities.
- ▶ Investigate promptly complaints and Ministers' Reports.
- ▶ Make sound decisions in complaints and Ministerial Report cases.

Planned Results–

The Committee expects that the plans and strategies outlined in this report will enable it to:

1. ensure that Parliament and the public have confidence in the rigour of SIRC's review process and are satisfied, therefore, that CSIS uses its extraordinary powers within the law and in a way that protects the civil rights of Canadians to the greatest extent possible;
2. be knowledgeable about CSIS' level of effectiveness in protecting Canadians from terrorist or other threats to national security;
3. provide a comprehensive, high quality Annual Report, and probative research reports; and
4. have confidence in the soundness of decisions rendered or recommendations made in reports following the investigation of complaints.

Related Activities--

External Review of CSIS -- The Committee plans to audit CSIS' activities by conducting a series of reviews that cover the key program areas of the Service. Incidents may arise in the course of the year that require the Committee to divert its resources from the planned program to address matters of higher priority to the nation.

The Committee will conduct a major review of the process used by CSIS to recruit and direct sources. The study will examine the adequacy of existing policy and the Service's compliance with legislation, Ministerial Direction, and CSIS policy.

As a complement to last year's examination of the Service's process for reviewing its operational files, this study will examine the management, review process, and retention criteria associated with security screening files.

Under section 16 of the *CSIS Act*, the Departments of National Defence and Foreign Affairs and International Trade can, under certain conditions, make requests to CSIS for assistance in collecting information of interest to Canada. The *CSIS Act* provides that such assistance may only be requested for operations within this country. The Committee will audit the information about Canadians, if any, that the Service collects and retains in the course of responding to section 16 requests.

Under the *CSIS Act*, the Committee is to monitor the information that CSIS exchanges with foreign and domestic agencies. In 2000-2001, the Committee will review the information exchanges at a mission abroad arising from the CSIS liaison program with foreign agencies. The Committee's review of this data will include an examination of information conveyed to foreign agencies via the Service's Security Liaison Officer who serves at the post abroad.

A key strategy of the Committee is to conduct an extensive examination each year of all CSIS investigations in one region of Canada. These examinations, conducted on a rotating basis, include an evaluation of targeting decisions, a review of internal security cases, and an examination of the approval process and the handling of sensitive operations.

In 2000-2001, SIRC will review the Service's information exchanges with domestic agencies, including selected government ministries, as well as law enforcement bodies. The Review Committee will examine the information that is exchanged in the context of the existing agreements, policy, and legislation. The analysis will also assess the level of operational cooperation between CSIS and the other agencies, with a particular focus on how the agencies attempt to solve any problems of disclosure.

The Committee will review the information that CSIS provides to Government institutions in the context of security clearance screenings. The information would be reviewed against the applicable standards of the *CSIS Act*, Government Security Policy, Ministerial Direction, and CSIS operational policy.

In the event that resources permit, an additional project may be undertaken in 2000-2001.

This review would focus on the investigation against certain foreign officials operating clandestinely in Canada. The study will assess the scope of the investigation against the suspected intelligence agents, the procedures employed, the resources that CSIS has committed, and the Service's advice to government. Allegations about attempts to influence Canadian policy would also be examined.

Complaints and Ministers' Reports -- The Committee will conduct comprehensive investigations of complaints filed pursuant to sections 41 and 42 of the *CSIS Act*, and reports made to the Committee under the *Citizenship Act*, the *Immigration Act*, and the *Canadian Human Rights Act*.

Indicators--

External Review of CSIS -- The Committee has now been in existence for over fifteen years. There are many subjective indicators of effectiveness and results such as remarks by Parliamentarians, academics, editorial writers, and foreign professors who have studied the Canadian system, which testify to the fact that many independent observers believe that the Committee is reviewing CSIS effectively. Informed observers are canvassed on a regular basis to ensure that the Committee is aware of outside opinions.

Another indicator of the Committee's results is the degree to which CSIS modifies its operational procedures or initiates new policy guidelines as a direct or indirect consequence of SIRC's recommendations included in reports following audits or complaints investigations. The Committee has a program to measure the degree to which CSIS responds to its recommendations.

A recent but revealing indicator of the usefulness of SIRC's Annual and other published reports, and of SIRC's work in general, is the interest displayed by the number of visits to SIRC's Web site. An older, but no less useful, measure is the demand for copies of the printed version of the Annual Report and other reports.

Investigation of Complaints and Ministers' Reports -- A significant indicator of SIRC's efficacy in conducting its investigations of complaints and the soundness of its decision making is the number of decisions that are overturned or changed on appeal to the Courts.

Resources--

Resources for the External Review of CSIS, which are estimated at \$1,369,000 and the Investigation of Complaints, estimated at \$939,000 are required to carry out SIRC's Related Activities. Given that SIRC's financial systems are undergoing some adjustment, these amounts are subject to change.

Section IV: Financial Information

Table 1. Net Cost of the Program for 2000-2001

(\$ thousands)	Total
Net Planned Spending	2,265
<i>Plus Services Received without Charge</i>	
Accommodation Provided by Public Works and Government Services Canada (PWGSC)	133
Contributions covering employer's share of employees' insurance premiums and expenditures paid by TBS	61
Workman's Compensation coverage provided by Human Resources Canada	0
Salary and associated expenditures of legal services provided by Justice Canada	0
	2,459
<i>Less: Non-responsible Revenue</i>	0
2000-2001 Net Cost of Program	2,459

Section V: Other Information

Statutes and Regulations

Canadian Security Intelligence Service Act