



# Security Intelligence Review Committee

2002-2003  
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 tabled in the spring 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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## **Section I: Messages**

### **Chair's Message**

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

The Security Intelligence Review Committee (SIRC) is a unique agency within the Government of Canada, whose work consists of reviewing and monitoring the actions of the Canadian Security Intelligence Service (CSIS). Parliament has given CSIS extraordinary powers to intrude on the privacy of suspected terrorists or spies.

SIRC's Members are selected in a consultative, non-partisan manner and then given extraordinary powers of inquiry into the activities of CSIS. While federal legislation prevents us from passing on to the general public a great deal of what we learn through our inquiries, public trust and confidence in our efforts are 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 intelligence service as it carries out its mandated tasks of protecting the national security of Canada and the safety of Canadians.

In this new century, and in response to the terrorist attacks on the United States, we recognize that the effectiveness of CSIS is ever more essential to assuring Canadians' wellbeing, and protecting the nation from very real and dangerous threats. The threats have undoubtedly changed: they have become more complex, more numerous and more difficult to identify. At the same time, because organizations like CSIS possess extraordinary intrusive powers, 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.

In the post September 11<sup>th</sup> world, the public is very concerned about the need to ensure Canada's security and safety. The public is equally concerned that CSIS carry out its mandate with respect for individual rights and the rule of law. Ensuring that balance is the essence of SIRC's mandate. The public must be confident that the activities engaged in by intelligence agencies to protect the security of Canada are conducted within the law and are appropriate. SIRC's role has become even more essential, even more relevant to today's world, and more critical to the public's peace of mind. In all of our activities, we strive to balance the need to protect individual rights with the state's obligation to protect against threats to Canada and Canadians.

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 and has produced tension between the two organizations. We believe that this tension ultimately benefits 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.

In the next few years, SIRC will focus on responding to the challenges created by the evolving international security environment.

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, some shockingly recent. The redirection of resources in CSIS to meet these threats has also had an impact on our priorities and resources. In our view, one of our most important roles is to monitor whether CSIS has the means to assess and advise government on emerging threats.

These new challenges will create new resource demands for SIRC. Members and staff alike remain committed to improving the Committee's ability to meet the needs of its constituency in current and future years.

---

Paule Gauthier, P.C., O.C., O.Q., Q.C.

## Management Representation

### ***Report on Plans and Priorities 2002-2003***

I submit, for tabling in Parliament, the 2002-2003 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.

Name: \_\_\_\_\_  
Susan Pollak

Date: \_\_\_\_\_

## Section II: Raison d'être

### 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 Security Intelligence Review Committee (SIRC) fulfills two different and distinct functions in carrying out its mandate: 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.

SIRC 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. SIRC 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.

**External Review of CSIS** ---- To protect the rights and freedoms of Canadians, SIRC has been given the power to review CSIS' activities and performance 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.

SIRC 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, over the years it has reviewed CSIS investigations in such areas as counter-terrorism, 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 areas of potential concern.

**Investigation of Complaints and Ministers' Reports** --- SIRC's second role is to investigate complaints. Five areas fall within the Committee's purview:

- 1) As provided in the *CSIS Act*, the Committee investigates complaints "with respect to any act or thing done by the Service."

- 2) The Committee also is empowered to investigate complaints about denials of security clearances to federal government employees and contractors.
- 3) The Committee investigates reports made by Government Ministers about persons in relation to citizenship and immigration, certain human rights matters and organized crime.
- 4) The Canadian Human Rights Commission may refer a matter to SIRC for investigation if the complaint relates to the security of Canada.
- 5) Under s.15 of the newly promulgated *Security of Information Act*, SIRC now has new responsibilities in relation to the disclosure of special operational information in the public interest.

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 to make his or her case.



### **Section III. Strategic Outcome**

To provide, on behalf of the Canadian people, external review of the Canadian Security Intelligence Service's 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.

#### **Major Changes From Previous Plans and Priorities**

**Evolution of the International Security Environment** --- Governments worldwide have passed new and comprehensive legislation in an effort to come to grips with the evolving terrorist threat in response to the tragic and shocking events of September 11, 2001. In Canada, the passage of Bill C-36 in the fall of 2001 marked a milestone in Canadian security legislation with, among other elements, its provisions to identify and publish lists of individuals and organizations assessed as proponents or supporters of terrorism.

The world's security environment has grown dramatically more complex since the Cold War ended. In addition to continuing threats, such as espionage by foreign intelligence services, we now face the appearance of nationalist and religious extremism, which has proven to be much less predictable, as the tragic events of September 11, 2001 bear out. This new environment will create new challenges for SIRC, in both its complaints and external review activities, as outlined below in this report.

**Expectations of Clients** ---The Committee's two key clients, the general public and Parliament, expect SIRC to provide a comprehensive, annual assessment of CSIS's 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.

SIRC anticipates increased expectations of responsiveness from the two new Parliamentary committees on national security - the Justice Sub-committee on National Security and the Standing Senate Committee on National Security and Defence - as well as the Ad Hoc Committee of Ministers on Public Security and Antiterrorism. We also expect increased interest in our work from the media, academics and the general public.

**Personnel Matters** — In order to address its new challenges, SIRC continues to undergo personnel changes at the senior management and staff levels. As a small organization with a significant mandate, the Committee relies on a staff complement that is highly skilled and motivated. SIRC is in the process of recruiting persons whose experience and growth potential will assist the Committee Members with the challenges that the review body will encounter in the next decade.

In an organization such as SIRC, it is critical to attract and develop talented people to conduct both the complaints and research functions. To support the effort to recruit and to retain the necessary staff, we intend to institute a professional development program combining specific skills training and other learning and development opportunities.

**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. However, in recent years, the Committee has experienced a significant and non-discretionary increase in its quasi-judicial (complaints) proceedings. This can only be expected to increase further in the post September 11<sup>th</sup> environment. Additional pressures will also be evident on the review side.

### **Activities and Priorities**

**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.

These examinations, conducted on a rotating basis, will 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.

Source management continues to be a major interest of SIRC. Our studies will examine the credibility of CSIS human sources by reviewing corroborating information and evaluating the policy and implementation of control procedures.

The Committee's review of warrants will examine: the documents in support of a small number of warrant affidavits, related CSIS Headquarters documents, the approval process for warrant applications, and the implementation of conditions. The review also will include an assessment of the legal challenges faced by the

Service, and new developments arising from the Service's review of its warrant clauses and conditions, new Court decisions, policy changes, and amendments to Ministerial Direction.

Under section 16 of the *CSIS Act*, the Minister of National Defence or the Minister of Foreign Affairs can, under certain conditions, make requests to CSIS for assistance in collecting foreign intelligence. 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.

The Committee anticipates that its review activities will be adjusted to ensure adequate coverage of CSIS's expanded activities in the war against terrorism.

**Investigation of 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*.

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. 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.

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 ensure better focus on the issues to be dealt with in hearings.

Notwithstanding the above measures, in 2000-2001, the number of hearing and pre-hearing days increased significantly from the previous year, and the forecast is that 2001-2002 and subsequent years will see the workload increase markedly. For the first nine months of the fiscal year 2001-2002, the number of complaints is greater than the entire fiscal year 2000-2001. 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. Not only has the caseload of complaints risen but, more importantly, the cases have become more complex. We have assigned one additional resource to this program to ensure that the complaints received by SIRC will be handled in a timely manner and, in the meantime, we have reduced significantly the use of contractors.

By their nature, predicting the volume of complaints and Ministerial Reports is very difficult. It is anticipated that the passage of the *Anti-Terrorism Act* will result in an unprecedented number of complaints cases, as individuals and organizations which appear on the "list of entities" and/or are denied charitable status opt to exercise their right of complaint under section 41 of the *CSIS Act*.

**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's 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 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.

**Committee Travel** ---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. Emerging democracies have sought the advice of the Committee in their efforts to establish institutions for the review or oversight of their intelligence agencies. The Committee has actively promoted to other countries the advantages of review and oversight processes in relation to security and intelligence agencies as a means of protecting reforms, particularly in the emerging democracies.

In 2001-2002 alone, the Committee staff hosted delegations from the Czech Republic, Mexico, Norway and South Africa, all of which were seeking an exchange of ideas and guidance on models of review and oversight. We expect exchanges of this type to continue.

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 to conduct audits of the Service's posts abroad.

**Internet** – In support of the ongoing effort to be accessible and informative to Canadians, SIRC maintains a comprehensive website on the World Wide Web (<http://www.sirc-csars.gc.ca/>). The site provides the latest news about Committee Activities, as well as information ranging from biographical data on Committee members to procedures for filing complaints about CSIS activities and the denial of security clearances. Additionally, all SIRC annual reports, dating back to its establishment in 1984, are accessible through the website.

**General** -- In 2001-2002 the Committee had a full complement of Committee Members. While this is essential for the Committee to fulfill its mandate, it has also resulted in an increase in expenditures.

A computerised tracking system has been installed during the 2001-2002 fiscal year. This costly technology is necessary to support the Committee's functions and to meet the stringent security requirements for handling highly classified information. Resources are forecasted to the development and maintenance of this new software in 2002-2003.

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

### **Planned Results and Monitoring**

SIRC expects that the activities and priorities 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' performance 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.

## **Monitoring of Priorities**

**External Review of CSIS** -- The Committee has now been in existence for over sixteen 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.

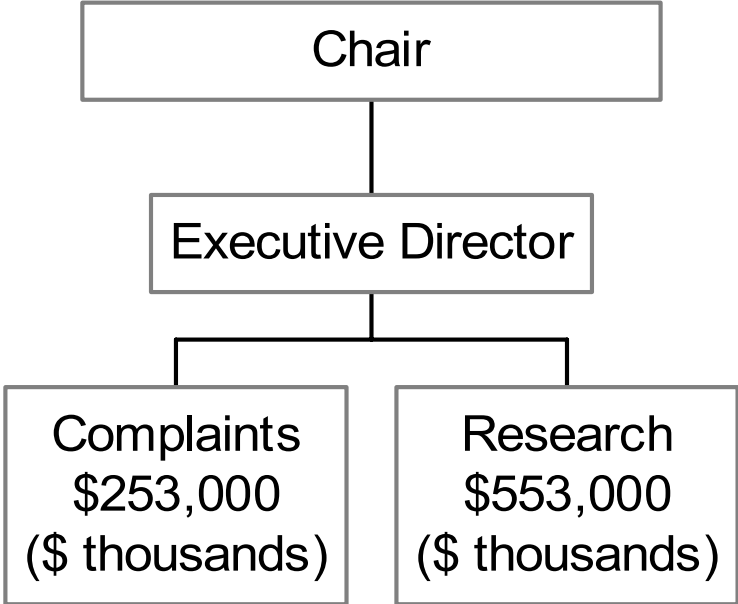
**SECTION IV**

**Organization**

**Strategic Outcomes and Business Lines**

|                       |   |
|-----------------------|---|
|                       | <b>Strategic Outcome</b>  |
|                       | To provide, on behalf of the Canadian people, 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. |
| <b>Business Lines</b> | <b>(\$ thousands)</b>   |
| <b>Complaints</b>     | <b>\$253</b>  |
| <b>Research</b>       | <b>\$553</b>  |

**Accountability**



## Departmental Planned Spending

| (\$ millions)                                     | Forecast<br>Spending<br>2001-<br>2002* | Planned<br>Spending<br>2002-<br>2003 | Planned<br>Spending<br>2003-<br>2004 | Planned<br>Spending<br>2004-<br>2005 |
|---|--|--------------------------------------|--------------------------------------|--------------------------------------|
| Budgetary Main Estimates<br>(gross)               | 2.3                                    | 2.3                                  | 2.3                                  | 2.3                                  |
| Non-Budgetary Main<br>Estimates (gross)           | 0                                      | 0                                    | 0                                    | 0                                    |
| Less: Respendable Revenue                         | 0                                      | 0                                    | 0                                    | 0                                    |
| <b>Total Main Estimates</b>                       | <b>2.3</b>                             | <b>2.3</b>                           | <b>2.3</b>                           | <b>2.3</b>                           |
| Adjustments**                                     |  |                                      |                                      |                                      |
| <b>Net Planned Spending</b>                       | <b>2.3</b>                             | <b>2.3</b>                           | <b>2.3</b>                           | <b>2.3</b>                           |
| Less: Non-respendable<br>revenue                  | 0                                      | 0                                    | 0                                    | 0                                    |
| Plus: Cost of services<br>received without charge | 0                                      | 0                                    | 0                                    | 0                                    |
| <b>Net Cost of Program</b>                        | <b>2.3</b>                             | <b>2.3</b>                           | <b>2.3</b>                           | <b>2.3</b>                           |
| <b>Full Time Equivalent</b>                       | <b>15</b>                              | <b>16</b>                            | <b>16</b>                            | <b>16</b>                            |

\* 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.



**Section V: Financial Information**

**Table 7 Net Cost of the Program for 2001-2002**

|  |              |
|--|--------------|
| (\$ millions)  | <b>Total</b> |
| Net Planned Spending   | <b>2.3</b>   |
| Plus Services Received without Charge  |              |
| Accommodation Provided by Public Works and Government Services Canada (PWGSC) (\$ thousands)                         | <b>0</b>     |
| Contributions covering employer's share of employees' insurance premiums and expenditures paid by TBS (\$ thousands) | <b>0</b>     |
| Workman's Compensation coverage provided by Human Resources Canada   | <b>0</b>     |
| Salary and associated expenditures of legal services provided by Justice Canada                                      | <b>0</b>     |
| Less: Non-responsible Revenue (\$ millions)  | <b>0</b>     |
| 2002-2003 Net Cost of Program  | <b>2.3</b>   |

**Table 12**

|                                    |                        |
|------------------------------------|------------------------|
| <b>Legislation and Regulations</b> | <b>Planned Results</b> |
| NA                                 | NA                     |