



SECURITY INTELLIGENCE REVIEW COMMITTEE

ANNUAL REPORT 1997 - 1998

An Operational Audit of CSIS Activities

Canada

Security Intelligence Review Committee
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The Honourable Andy Scott, P.C., M.P.
Solicitor General of Canada
House of Commons
Ottawa, Ontario
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30 September 1998

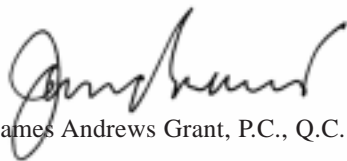
Dear Mr. Scott:

As required by section 53 of the *Canadian Security Intelligence Service Act*, we transmit to you the Annual Report of the Security Intelligence Review Committee for the fiscal year 1997-98, for your submission to Parliament.

Yours sincerely,



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



James Andrews Grant, P.C., Q.C.



Robert Keith Rae, P.C., Q.C.

Introduction

With the presentation of this report, the Security Intelligence Review Committee (SIRC) enters its fifteenth year of work on behalf of the Parliament and people of Canada. In carrying out our functions, Members engage a broad range of Canadians — journalists, specialists of all kinds, Parliamentarians, government officials, and citizens with queries or complaints. Judging from the tenor of these contacts, we believe that the security intelligence regime approved by Parliament in 1984 has proved its worth. There has been significant progress, and we are pleased that past and current Members of the Committee, as well as our staff, have been able to make a contribution.

The Members of the Security Intelligence Review Committee believe that the current accountability structure for the Canadian Security Intelligence Service (CSIS) works reasonably well. However, we are increasingly aware that SIRC's role in that structure is not as well understood as it should be. A large factor with which the Committee must contend in communicating with the people of Canada stems directly from the tensions inherent in security intelligence operations in a democratic society. The Committee's mandate places it at the very centre of the dilemmas that result.

Out of regard for safety and security, certain kinds of information must be withheld from general knowledge, yet democratic society rests on maximum possible transparency in government. The inevitable absence of facts and information invites speculation and even

fantasy, yet there are well-grounded constraints on what can be done to correct misperceptions. There are multiple administrative and legal mechanisms to help ensure that the country's security intelligence apparatus functions responsibly, but the great majority of citizens are compelled to trust others to carry out the monitoring for them.

Members of the Committee and our staff grapple daily with these dilemmas, and annual audit reports represent our best efforts at finding the correct balance between the competing demands of transparency and accountability on one side, and the safety of Canadians and security of Canada's national interests on the other.

This balancing act engenders some peculiarities in the Committee's communications with the public. Statements in annual audit reports such as "the Committee reviewed a CSIS investigation of some persons in Canada who were associated with an armed conflict in an overseas country" cannot help but appear unnecessarily oblique or even devious. However, both the law of the land and prudence when it comes to individual safety and national security leave the Committee no responsible alternative.

There are two other essential points readers should keep in mind when examining any of the Committee's reports.

The first is that they can be assured that it is the Committee that decides what is in the report and no other body. No arm of Government or the Service or the bureaucracy dictates its content — we do. As a matter of routine — and as is common practice

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in the relationship between auditor and the body being audited – the Service reviews drafts of our reports in order to eliminate factual errors. But the final call is ours and ours alone. The report is then sent to the Solicitor General for delivery to Parliament, and as the *CSIS Act* directs, the Minister is obliged to present the report unaltered to Parliament (and the public) within a fixed period of time.

Secondly, our annual audit report is not a bureaucratic afterthought or a public relations handout. It is instead, the culmination of an entire year's detailed review of all facets of the Service's activities. Every study conducted, query pursued, and complaint received, forms a part — in one way or another — of the report which the *CSIS Act* mandates us to present to Parliament.

Members of the Committee are acutely aware that citizens' trust in our work must be earned and nurtured, and then earned again. We hope that efforts such as this year's audit report go some way towards meeting those goals.

How SIRC's Annual Audit Report is Organized

This year's audit report maintains the organization and format instituted in 1996-97. Comments and feedback Committee Members and staff received during the year seemed to bear out our hope that the revised format would be both more functional and more informative.

In general, the report is organized to reflect the Committee's primary functions: first, to review CSIS intelligence activities, second, to investigate complaints about CSIS and associated matters, and third, to act in concert with other parts of the governance system to protect Canadians from threats to their security.

- Section 1 presents the Committee's review and audit of what the Service does and how it does it. The sub-sections represent the different methods the Committee employs to make these assessments.
- Section 2 deals with the Committee's role as a quasi-judicial tribunal with the power to investigate complaints of various kinds.
- Section 3 brings together under one heading — CSIS Accountability Structure — the Committee's review of the multiple administrative and legal mechanisms that hold the Service accountable to Government, Parliament and the people of Canada.

As before, the report draws a clear distinction between Committee comments, observations and recommendations bearing directly on our major task — reviewing CSIS and associated activities for a certain period of time — and the more general background material we are making available with the aim of assisting Canadians and other readers to understand the context in which security and intelligence work is carried on.

Subjects the Committee believes will be of historical, background or technical interest to readers are set apart from the main text in shaded insets. Unlike the main body of the report, they do not reflect Committee opinion or conclusions as such and are intended to be factual in nature.

A minor but, we believe, important innovation for this year's report is that where appropriate, each section of the audit report is labelled with the SIRC study from which it is abstracted. The full references are found in Appendix B.