



ESTIMATES

Security Intelligence Review Committee

**2001-2002
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

2001-2002 Estimates

Report on Plans and Priorities

The Right Honourable Jean Chrétien
Prime Minister of Canada

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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., 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). Our Members are selected in a consultative, non-partisan manner and then given extraordinary powers of inquiry into the activities of CSIS. Federal legislation 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 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 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 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.

Public concern about the state's intrusion into everyday life is entirely valid, and we share that concern. 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. It is in this context that the role of SIRC has become more essential, 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.

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. 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.

Last year, for the first time since the Committee was established in 1984, we obtained additional resources in order to maintain our high standard of performance to Canadians while remaining abreast of the many changes on the world and domestic scenes. Members and staff alike remain committed to improving the Committee's effectiveness in the operational and financial management spheres in the current and future years.

Management Representation

Report on Plans and Priorities 2001-2002

I submit, for tabling in Parliament, the 2001-2002 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: Departmental Overview

2.1 What's New

The Security Intelligence Review Committee has been undergoing personnel changes at the senior management and staff levels. As a small organization with a significant mandate, the Committee relies on staff who are highly skilled and motivated. The changes now underway are oriented towards recruiting persons whose experience and growth potential will assist the Committee Members in meeting the challenges they will encounter in the coming years.

The number and complexity of the complaints cases and Ministerial Reports that the Committee investigates continue to rise. As the Committee has no control over the number of complaints it receives in any given year, it is entirely likely that this program will continue to place extraordinary resource demands on the agency during the current and subsequent years.

2.2 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.

2.3 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.

2.4 Planning Context

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 managed its activities within the resource levels established in 1985. The Committee's budget 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.

Complaints Program -- The investigation of complaints is the most expensive area of discretionary spending, and it bore the brunt of the budget cuts imposed in the mid-90s. To deal with the reductions, the Committee carried out more work "in house", and used outside lawyers less. More pre-hearing meetings were conducted by Committee staff, to focus more clearly the issues to be dealt with in the actual hearings.

Notwithstanding the above measures, in 1998-99, the number of hearing days increased threefold from the previous year. The forecast is that 2000-2001 and subsequent years will see the workload continue to increase, placing a heavy 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 have assigned 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 visits to CSIS regional offices 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. Before and after this conference, the Committee has actively promoted the advantages of review and oversight mechanisms in relation to security and intelligence agencies as a means of protecting reforms and ensuring balance, particularly in the emerging democracies.

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.

General -- In 2000-2001 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.

Major expenditures were also required to maintain and upgrade the computer infrastructure and to purchase security-certified hardware for 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.

2.5 Departmental Planned Spending

(\$ thousands)	Forecast Spending 2000-2001*	Planned Spending 2001-2002	Planned Spending 2002-2003	Planned Spending 2003-2004
Budgetary Main Estimates (gross)	1,405	2,291	2,291	2,291
Non-Budgetary Main Estimates (gross)	0	0	0	0
Less: Respendable Revenue	0	0	0	0
Total Main Estimates	1,405	2,291	2,291	2,291
Adjustments**	860			
Net Planned Spending	2,265	2,291	2,291	2,291
Less: Non-respendable revenue	0	0	0	0
Plus: Cost of services received without charge	334	437	437	437
Net Cost of Program	2,599	2,728	2,728	2,728

Full Time Equivalents	14	15	15	15
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* 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 III: Departmental Plans, Results, Activities and Resources

3.1 Business Line Details

Business Line Title

Security Intelligence Review Committee

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.

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.

3.2 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, and that Canada’s security is protected.
- ▶ Ensure that CSIS operates effectively in protecting Canadians from terrorist or other threats to national security.
- ▶ Provision of high quality annual and research reports.
- ▶ Prompt investigation of complaints and ministers’ reports.
- ▶ Soundness of decision making.

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.

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 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.

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.

The Committee will examine the targeting authorities and operational activities of the Service in relation to the investigations of domestic extremism. Particular attention would be paid to the issued-based investigations that have been directed at the targets, and recent events that are national in scope.

Source management has been a major interest of SIRC. This study would 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 would 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 includes 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.

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 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.

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 figures are subject to change.

Section IV: Joint Initiatives

Not applicable to the Security Intelligence Review Committee

Section V: Financial Information

Table 5.1 Net Cost of the Program for 2001-2002

(\$ thousands)	Total
Net Planned Spending	2,291
Plus Services Received without Charge	
Accommodation Provided by Public Works and Government Services Canada (PWGSC)	137
Contributions covering employer's share of employees' insurance premiums and expenditures paid by TBS	300
Workman's Compensation coverage provided by Human Resources Canada	0
Salary and associated expenditures of legal services provided by Justice Canada	0
	2,728
Less: Non-respendable Revenue	0
2000-2001 Net Cost of Program	2,728

Section VI: Other Information

Statutes and Regulations

Canadian Security Intelligence Service Act