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CSIS'S INVESTIGATION

(SIRC STUDY 2011-03)

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TABLE OF CONTENTS

1	INTRODUCTION	2
2	METHODOLOGY AND SCOPE	3
3.1	CSIS's Collection Strategies	4
3.2	CSIS's Cooperation With Intelligence Partners	7
4	FOREIGN OPERATIONAL ACTIVITIES: AN EVOLVING APPROACH TO MANAGING RISK	10
4.1	CSIS's Operational Risk Management Process	12
5	ISSUE FOR CONSIDERATION – ALLIED AGENCY ASSESSMENT	15
6	CONCLUSION	17

1 INTRODUCTION

This review examined _____ investigation to assess the Service's collection and analysis of intelligence relating to proliferation _____ as well as the advice provided to Government. Given this investigation's international scope, SIRC focused on CSIS's cooperation with foreign intelligence partners. In so doing, SIRC gained insight into CSIS's planning and execution of foreign operations, the management _____ sources, and finally, the operational benefits CSIS derives from these activities.

Over the course of the review, SIRC acquired an appreciation of the inherent risks associated with CSIS's foreign operational activities

Accordingly, the study examined the Service's risk management procedures, including how risk is identified, what internal consultation(s) occurs, the controls or mitigators used to help manage risk, and the role management plays in approving these endeavours. To this end, SIRC made a recommendation aimed at further enhancing CSIS's risk management processes, namely by including more nuanced and elaborate appraisals of allied agencies within their assessments.

2 METHODOLOGY AND SCOPE

this review evaluated the planning and execution of operations through to the final intelligence reports sent to domestic and foreign counterparts. The study focussed on CSIS's foreign operations as well as the associated risk assessments involving CSIS's collaboration with allies.

SIRC additionally held several meetings with CSIS representatives in order to gain further context and insight into the changes to policy and procedures guiding overseas activities, and finally, how CSIS manages operational risks.

The review period was from January 1, 2009 to December 31, 2010, although some information was assessed from outside this period.

3.1 CSIS

Collection Strategies

SIRC examined CSIS's collection strategies to assess the extent to which CSIS is fulfilling government intelligence requirements.

Over the short term, CSIS has focussed on maximizing the collection efforts of every existing and potential human source.

Developing a large number of sources with good access is only the first step: being able to exploit the information collected is equally important. Thus, CSIS's longer-term strategy involves building operational capabilities abroad and employee knowledge

Moreover, client responses to these intelligence products were overwhelmingly positive;

Although CSIS remains committed to improving the quality and quantity of reporting these favourable responses suggest that satisfactory progress is being made in addressing the GoC's intelligence requirements

3.2 CSIS's Cooperation With Intelligence Partners

**4 FOREIGN OPERATIONAL ACTIVITIES: AN EVOLVING APPROACH TO
MANAGING RISK**

4.1 CSIS's Operational Risk Management Process

In 2008, SIRC completed two reviews that raised concerns regarding CSIS's Operational Risk Management (ORM) strategies, including a lack of criteria for conducting risk assessments, as well as a need to improve risk definitions and to standardize assessments using detailed and consistent terminology. SIRC also questioned whether more transparency was required within CSIS's operational reporting to help explain the decision-making process surrounding CSIS's risk management. In fall 2008, CSIS initiated an entirely new ORM system.³²

With the understanding that all operational activity incurs varying degrees of risk, CSIS's current ORM process is designed to help meet intelligence requirements through the assessment and mitigation of risk to a level judged to be organizationally acceptable.

The Service maintains that the refined ORM system produces risk assessments which are produced systematically using established

methods, demonstrate decision-making transparency, include relevant stakeholders, and are grounded in common sense.³⁴ To assess the degree to which CSIS's ORM process adheres to these principles, SIRC reviewed risk assessments for all joint operations

Overall, SIRC found that a combination of policy and process changes have created a more systematic and methodological approach to managing risk. A few of the more significant improvements include:

- clear and concise risk definitions;
 - specialized employee training;
 - stakeholder identification and associated responsibilities;
 - policy identifying the level of managerial approval for each risk level;
 - risk matrices that require measurable inputs,
- and,
- a designated responsibility centre (i.e.) for incorporating 'lessons learned' from previous operations.

³⁴ CSIS Briefing on Risk Assessments – Presentation to SIRC, July 20, 2011.

More difficult to evaluate is CSIS's goal that risk assessments should be 'grounded in common sense'. This principle underscores the unavoidable subjectivity of risk evaluations and why a systematic, transparent and inclusive process is necessary. Since being established three years ago, CSIS believes that risk assessments have become increasingly sophisticated – an evolution owing both to employee comfort with the risk assessment process and exposure to enough operational scenarios to allow for comparative analysis.³⁷ SIRC views the gradual development of a risk-based corporate memory as a good indicator that CSIS's risk management process is moving in an appropriate – and common sense – direction.

³⁷ CSIS Briefing on Risk Assessments – Presentation to SIRC, July 20, 2011.

5 ISSUE FOR CONSIDERATION – ALLIED AGENCY ASSESSMENT

Although substantial improvements to CSIS's ORM processes have been made, SIRC noted that minimal details about partner agencies are included within risk assessments.

⁴⁴ **SIRC recommends that future risk assessments should include, where appropriate, a more nuanced and comprehensive appraisal of individual allied agencies.**

Over time, this information would contribute to a more transparent and strategic appraisal of the unique benefits and potential challenges of allied engagement, on a case by case basis.

⁴⁴ CSIS Briefing on Risk Assessments – Presentation to SIRC, July 20, 2011.

6 CONCLUSION

This study has highlighted CSIS's steady progress in establishing itself as a significant foreign operational player

A corollary of bringing this strategy to fruition has been the adoption of new policies, practices and procedures for overseas activities, increased connectivity with allies but also, as a consequence, increased operational risks. Accordingly, SIRC will continue to follow CSIS's overseas activities to ensure that the Service is equipped to provide appropriate advice and support to the GoC, while managing the attendant risks of doing so.