



CEO EVALUATION FRAMEWORK

March 12, 2025
Governance Committee

PURPOSE

These guidelines are intended to provide the enCompass Board with a framework and a greater understanding of the practices used to evaluate the enCompass CEO. They are to assist Board members in making informed decisions related to the CEO's performance and any applicable compensation related to performance.

These guidelines have been written in a broad manner and are tied to enCompass operational and governance policies and CARF International Accreditation Standards for governance.

PROCESS FOR THE REVIEW

1. The CEO's evaluation must be completed by the board annually by June 30. Therefore, it is recommended that the review be completed in April/May
2. The Governance Committee will oversee the CEO evaluation
3. At the November Governance meeting the performance review process should be reviewed and, if needed, updated with all updates/changes to the review completed for the January Governance meeting
4. At the March Governance Committee meeting the dates for the review, the responsibilities and the evaluation survey template will be confirmed. See Appendix A for current survey
5. **The Governance Committee, with support from the Board Chair and Executive Assistant,** is responsible for:
 - a. Uploading the survey template to an online survey application 4 weeks prior to when all results are to be completed
 - b. Sending an email to all Board Members asking them to complete the review within a 10-day timeline
 - c. Tracking the number of responses and if needed, sending reminders at day 5 and day 9 of the timeline
 - d. Collecting all responses and compiling a final report
 - e. Sending the report to the Board Chair for final review
 - f. Reviewing market information for CEO compensation for 'like' positions and agencies
6. **The Board Chair** is responsible for:
 - a. Arranging a time to meet with the CEO to review the results
 - b. Reviewing the results and discussing potential performance compensation with the CEO
 - c. Providing the overall results of the review to the rest of the Board – these should be sent prior to the June Board Meeting
 - d. Holding an in-camera session at the June Board meeting to bring forward performance compensation recommendations for approval and to finalize with the Board
 - e. Advising the CEO on performance compensation decisions made by the Board
 - f. Providing a final copy (electronic and/or hard copy) of the completed review for the CEO's HR file
7. **The CEO** is responsible for:
 - a. Providing the Board with the following information in advance of the evaluation:
 - i Summary of CEO/agency accomplishments for the past performance year (one page)
 - ii Brief overview of CEO aspirations and/or professional development plans
 - iii What the CEO needs from the Board to be successful and for the Agency to be successful

- iv Budget parameters for CEO compensation adjustments
- b. At the start of the new performance year (July) the CEO is responsible for:
 - i Providing the Board with key organizational/operation goals and any individual goals for the performance year
 - ii Providing the Board with a copy of the most recent strategic plan

GUIDELINES TO PREPARE BOARD MEMBERS FOR THE REVIEW

When it comes to the CEO leading the organization, the following 5 key pillars/performance areas are the areas the Board will focus on when evaluating the CEO. Board members are to assess each performance area by thinking about 2 overarching questions:

1. Did the CEO INFORM the Board and were they TRANSPARENT in each of these key areas?
2. Was the CEO ACCOUNTABLE for these areas from a community perspective, an internal perspective and a funder perspective?

Performance Areas include:

Governance – Overseeing and managing the direction of the organization. Evidence is demonstrated by:

- Able to think clearly about how purpose and strategy connect to the business model
- Able to identify and evaluate an organization’s strategy and purpose
- Able to organize, update and operationalize the strategic plan
- Summary of achievements as outlined in the strategic plan over the last year
- Able to effectively support the meetings of the Board and the Board’s committees
- Informs the Board of critical operating concerns; clearly articulating the issue, the reasons and options/solutions with the included risks
- Informs the Board of risk and risk management concerns.
- Informs the Board of new opportunities for the organization
- Annually brings to the attention of the Board policies that need updating/changing and the process that occurred
- Ensures diversity is a key area of focus in Board recruitment

Staff Management – Supporting both direct and indirect reports, offering opportunities for feedback, growth and development. Supporting HR and employee relations, including talent management, professional development, culture. Evidence is demonstrated by:

- Able to scale up for excellence – building that mindset
- Able to identify succession plan for key positions
- Able to support and navigate key HR issues
- Provides leadership learning opportunities for both current and key upcoming leaders
- Ensure diversity is a key area of focus in hiring practices

Program/Service Delivery – Providing programs and services directly to enCompass clients that are based on the purpose and values. Evidence is demonstrated by:

- Provides the Board with key program goals related to funded and agency service outcomes

- Able to meet key service targets outlined by annual goals
- Able to adjust/augment/pivot programming in order to meet changing client needs
- Uses data to drive the work including providing rationale to stay the course or make a change
- Provides program data to the board to assist in their overall decision making

Leadership – Demonstrating commitment to the Agency’s purpose and values and directing the organization toward meeting its goals while inspiring the team to take on challenges and lead with integrity while making progress both within the organization and externally in the community. Evidence is demonstrated by:

- Knows and is able to deliver a powerful story to inspire
- Able to think of, craft, and tell meaningful stories effectively to inspire transformational change and innovation for the organization
- Sees the “Big Picture” when it comes to community developments, community partnerships, government relations and “what is going on in the field” for those in need.
- Able to solve complex and critical problems affecting the organization and/or community.
- Creates an environment that embraces change.
- Looks beyond and reaches beyond the organization to build diverse relationships with others in the community.

Fiscal Management – Managing the organization's financial resources, including revenue, budgeting, and expenditures. It involves making decisions about how to allocate financial resources in order to achieve the organization's objectives and maintain fiscal stability.

- Obtained the budgeted annual revenue
- Secured new resources for funding for the organization
- Able to steward the existing major funders
- Able to explore and develop new approaches to leveraging funds
- Prepared a balanced annual operating budget, presented that budget to the Board and came with rationale and/or plans for surplus’ or deficit’s
- Able to take the necessary action to ensure the organization operated within its budget.
- Provides the Board with the financial information to fulfill its fiduciary responsibilities
- Provides the Board with financial information that outlines potential trends that could/would impact forecasting for future years. (political, industry increases, inflation)
- Able to critically and analytically think about how to be more financially viable and make decisions that drive the right initiatives forward for the organization

Where to Reference and Assess Accountability

Board Members should be using various reference materials to assist in completing their evaluation of the CEO. It is recommended that Board members evaluate each performance area by thinking about 3 levels of accountability.

Levels of Accountability – are the places where the accountability matters and they are the audiences (outside of the Board) who contribute to assessing if the CEO met expectations. Levels of accountability specifically for a non-profit include:

Levels of Accountability for Each Area	Supporting Material / Proof of Accountability	Who Influences this Accountability?
1. Funding Accountability	Annual Budget	Funders / Donors
	- Financial reports CEO - report to the Board - Foundation?	- Auditors - Finance Committee - Finance Director
2. Community Accountability	- New and renewed partnership agreements - Client feedback - CEO report to the Board - Annual Report	- Clients - Partners
3. Internal Accountability	- Strategic plan - Employee feedback – Surveys and exit interviews - Report to the Board	Employees

PERFORMANCE RELATED COMPENSATION FOR THE CEO

Annual compensation decisions linked to the CEO's performance should be guided by the following:

1. enCompass Compensation Philosophy, including compensation and non-compensation principles.
2. Current fiscal position of enCompass, including information provided by the Director of Finance to the Board Chair (budget parameters for upcoming year)
3. Current market value for CEO compensation from agencies of similar "likeness"

Suggested sources to scan in order to assess CEO compensation include:

- Benefits Canada
- Local agencies of like work/clientele/risk and budget
- Boland Report
- Linked In and/or Indeed non-profit CEO salary search.

Options for Performance Compensation

1. Percentage increase to base salary
2. Merit pay – lump sum
3. Merit pay – applied to RRSP contribution
4. Additional leave with pay options
5. Additional education funds
6. Wellness initiatives (e.g. increase or greater flexibility with a Wellness account)

Appendix A: CEO Annual Performance Review Tool

This is the Board endorsed tool used to evaluate the CEO. The tool will be uploaded and completed by Board members on-line, allowing for anonymous responses.

Likert Scale Definitions

Consistently Exceeds Expectations	CEO consistently surpasses the established goals and performance standards. They demonstrate exceptional leadership, innovation, and strategic vision, significantly advancing the organization's mission. Their actions result in substantial positive impacts in this area setting new standards for excellence.
Consistently Meets Expectations	The CEO reliably meets all established goals and performance standards. They effectively manage the organization's operations and maintain steady progress towards its mission. Their performance is solid and dependable, ensuring this area functions smoothly and continues to be effective.
Does Not Consistently Meet Expectations	CEO occasionally falls short of meeting the established goals and performance standards. There are inconsistencies in their leadership and management, which may hinder the organization's progress. Improvement is needed in this area to ensure results can fully be achieved and effective.
Not Directly Observed	CEO's performance in this area has not been directly observed or assessed. There is insufficient information or opportunity to evaluate the CEO's actions and impact in this specific area.

Accountability Items (See CEO Evaluation Framework, pages 3-4 for more details)	Likert Rating Scale			
Governance Overseeing and managing the direction of the organization.	Consistently Exceeds Expectations	Consistently Meets Expectations	Doesn't Consistently Meet Expectations	Not Directly Observed
In your opinion the CEO:				
Effectively supported the meetings of the Board				
Effectively supported the meetings of the Board Committees				
Kept the Board informed of critical operating concerns				
Kept the Board informed of new opportunities for the organization				
Provided the board with appropriate information on the performance of the agency in the area of justice.				
Brings to the Boards attention the bi-annual policy review process and informs the Board of policies that may need to be addressed.				
Comments:				
Staff Management Supporting both direct and indirect reports, offering opportunities for feedback, growth and development. Supporting HR and employee relations, including talent management, professional development, culture.	Consistently Exceeds Expectations	Consistently Meets Expectations	Doesn't Consistently Meet Expectations	Not Directly Observed
In your opinion the CEO:				
Was effective in structuring the organization to attain its goals and objectives.				

Retains and/or has a succession plan for qualified senior staff positions				
Works with and manages staff to achieve the vision and mission of the organization.				
Comments:				
Program/Service Delivery Providing programs and services directly to enCompass clients that are based on the Purpose & Values.	Consistently Exceeds Expectations	Consistently Meets Expectations	Doesn't Consistently Meet Expectations	Not Directly Observed
In your opinion the CEO:				
Achieved the targets outlined in the Strategic Plan over the past year in the number of clients served through enCompass programs and services				
Was resourceful in collaborating with like - community agencies to deliver needed programs/services				
Keeps the Board informed of emerging trends and the potential impact on our clients and or implications for program/service delivery.				
Comments:				
Leadership Demonstrating commitment to the Agency's purpose and values and directing the organization toward meeting its goals while inspiring the team to take on challenges and lead with integrity while making progress both within the organization and externally in the community.	Consistently Exceeds Expectations	Consistently Meets Expectations	Doesn't Consistently Meet Expectations	Not Directly Observed
In your opinion the CEO:				
Understood the big picture in such areas as community development, government relations and what is going on in the field of justice.				
Formulated the appropriate annual goals and objectives for the organization.				
Demonstrates the ability to solve complex and critical problems affecting our organization and community.				
Puts plans in place and effectively implements them.				
Inspired the organization to reach for excellence and models excellence				
Comments:				

Fiscal Management Managing the organization's financial resources, including revenue, budgeting, and expenditures. It involves making decisions about how to allocate financial resources in order to achieve the organization's objectives and maintain fiscal stability.	Consistently Exceeds Expectations	Consistently Meets Expectations	Doesn't Consistently Meet Expectations	Not Directly Observed
In your opinion the CEO:				
Succeeded in obtaining the budgeted annual revenue				
Did an excellent job of securing new sources of funding for enCompass				
Did an excellent job of stewarding the existing major funders, including the existing foundation as well as the development of new approaches.				
Provided the Board with financial information it needs to fulfill its fiduciary responsibilities in a timely manner.				
Took the necessary action to ensure that the agency operated within its budget				
Provides the Board with information that outlines potential trends that would impact forecasting for future years.				
Comments:				