



POLICY NUMBER:	BC - 5
ISSUING AUTHORITY:	Board of Directors

ISSUE DATE:	July 19, 2012
REVIEW DATE:	February 8, 2019
REVISE DATE:	April 30, 2019

**SUBJECT:** Board – CEO Linkage  
MONITORING CHIEF EXECUTIVE OFFICER (CEO) PERFORMANCE & CEO  
PERFORMANCE APPRAISAL

**POLICY:**

Systematic and intentional monitoring of CEO job performance will be solely evaluated against the expected CEO job competencies: accomplishment of Board policies on ENDS and organizational operation within the boundaries established in Board policies on Executive Limitations. A formal CEO Performance Appraisal will occur annually by March.

Accordingly:

1. Monitoring determines the degree to which Board policies are being met. Data that does not do this will not be considered to be monitoring data.
2. The Board will acquire monitoring data by one or more of three methods:
  - 2.1. by internal report:
    - 2.1.1. CEO Governance Dashboard Report, in which the CEO discloses compliance information to the Board
    - 2.1.2. CEO Self-Assessment
    - 2.1.3. Other mechanisms identified by the Board e.g. Leadership Reports; CEO reporting on Executive Limitations etc.
  - 2.2. by external report, in which an external, impartial third party, selected by the Board, assesses compliance with Board policies, and
  - 2.3. by direct Board inspection, in which a designated member, or members, of the Board assess compliance with the appropriate policy criteria.
3. In every case, the standard for compliance shall be any reasonable CEO interpretation of the Board policy being monitored. The Board is the final arbiter of reasonableness, but will always judge using the "reasonable person test".

4. The Board can monitor any policy, at any time, by any method, but will ordinarily depend on a routine schedule as established by the Governance Calendar and approved by the Board at its inaugural meeting.
5. CEO Performance Appraisal:
  - 5.1. In October of each year the Board Chair will review and validate the CEO evaluation process with the Board
  - 5.2. In November of each year:
    - 5.2.1. Board members are to review the current Executive Limitation (EL-11) CEO Leadership Competency Monitoring Tool and bring any questions/comments/clarification to the Board meeting.
    - 5.2.2. In accordance with Governance Process (GP-10) Monitoring of Board Policies, the Board will identify a Board Member to monitor Board-CEO Linkage (BC-5) policy.
    - 5.2.3. The Board will request the CEO to complete/prepare the following three documents:
      1. Executive Limitation (EL-11) CEO Leadership Competency Monitoring Tool<sup>1</sup>.
      2. CEO key goals and objectives (to be consistent with Board ENDS and Strategic Priorities).
      3. A Status Report on achievement of the prior year's key goals and objectives.
  - 5.3. In January of each year the Board will receive a package for the CEO evaluation.
  - 5.4. In February of each year:
    - 5.4.1. the Board will complete the CEO evaluation.
    - 5.4.2. The Board will appoint designated members of the Board to assemble the final performance appraisal package and meet with the CEO to complete the Performance Appraisal process by March 31 each year.

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<sup>1</sup> . During its 2006-07 CEO recruitment process, the Board of Directors determined that there were specific key leadership competencies or essential skill sets required for a successful candidate to assume the position of CEO of the RHA. The Board identified ten (10) leadership competencies or skill sets and weighted each one according to the Board's priorities. These competencies were subsequently woven into the fabric of the Board's performance management monitoring process and thus Executive Limitation (EL-11) CEO Leadership Competency was developed.

To provide a collaborative and consistent approach to the assessment process, a tool was developed to serve as both a template for CEO self-assessment/ reporting and a Board monitoring document for CEO Appraisal.