

Draft Minutes

ORDINARY MEETING

GOULBURN VALLEY REGIONAL LIBRARY CORPORATION

Held on Thursday 22 June 2023
Commencing at 2 pm
79 Benalla Road Shepparton
or remote Via Teams

BOARD MEMBERS

Cr Greg James, Greater Shepparton City Council
Ms Louise Mitchell, Greater Shepparton City Council (Chair)
Mr Ghulam Hussain, Greater Shepparton City Council
Mr John Tanner AM, Moira Shire Council
Mr Mathew Jarvis, Moira Shire Council
Ms Jessica Bonaddio, Moira Shire Council
Cr Paul Murray, Strathbogie Shire Council
Ms Dawn Bray, Strathbogie Shire Council
Ms Kym Bailey, Strathbogie Shire Council

1. Acknowledgement

“We acknowledge the traditional owners of the land where we now meet and pay respect to their elders past and present.”

2. Apologies

No apologies

Absent – Cr Greg James

It was noted this is Dawn Bray’s last meeting. The Chair thanked Dawn for her significant contribution to the GV Libraries Corporation, particularly via the Finance and Risk Committee and the CEO recruitment process. It was noted that her successor, Amanda Tingay will be a welcome addition to the Board.

3. Confirmation of Minutes

Recommendation

That the Draft Minutes of the Ordinary Board Meeting held on 23 February and 20 April 2023, as circulated, be confirmed.

Minutes Dated 23 February 2023 – **Moved:** Louise Mitchell **Seconded:** Matt Jarvis

Minutes Dated 20 April 2023 – **Moved:** Paul Murray **Seconded:** Ghulam Hussain

4. Business arising from the previous meeting Minutes.

Board Meeting Action List

A Board action list has been created to record actions arising from the previous meeting. In future meetings, this will be distributed with the draft minutes and updated in the Agenda.

No	Meeting	Action	Responsibility	Status
1	June 23	Update item 5 to reflect the 2020 Local Government Act – Declaration under acts, regulations, codes or local laws & declaration of any interest or conflict of interest -	CEO and Finance and Audit Committee	
2	June 23	Finance and Audit committee recommend moving forward to document any conflicts by filling out a declaration form.	CEO and Finance and Audit Committee to develop the form.	

3	June 23	CEO to bring a report to the September meeting on options, including the “no option” scenario for the Mobile Library.	CEO	
4	June 23	CEO to request GSCC Finance Team to show separate depreciation in future finance reports.	CEO	
5	June 23	It was asked if ratios that are relevant to Libraries be added to the financial reports - Liquidity and underlying result Action: CEO to follow up with GSCC Finance Team	CEO	
6	June 23	That the Draft Reconciliation Action Plan be shared and asked for feedback from the Taungurung Land and Waters Council	CEO to follow up with Amanda Tingay to make sure this is done before the board adopts the Draft Reconciliation Action Plan	
7	June 23	Risk Register to be updated in an offline workshop and brought back to the board in the September meeting	CEO and Finance and Risk Committee	
8	June 23	CEO performance appraisal and 6-month probation period – The chair will bring the recruitment group back together for this.	CEO and recruitment group	

5. Declaration under acts, regulations, codes, or local laws & declaration of any interest or conflict of interest

Meeting Declaration

The Local Government Act of 1989 and the GVRLC Board Code of Conduct set the requirements to declare interests. Members of regional library boards and regional library staff are subject to conflict-of-interest rules in the same way as Councillors and Council staff.

Board members must disclose an “interest” in a decision if they would receive or could be reasonably perceived to receive a direct or indirect financial or non-financial benefit or detriment from the decision. In addition, Board members are required to declare where they may have a conflict of interest, or they could reasonably be perceived to have a conflict of interest.

The CEO advised that as we are operating under the old Local Government Act 1989, all Board members will need to complete an Ordinary Return for the Register of Interest, which was sent via email.

No conflicts of interest were declared.

Action:

- 1. Update this meeting declaration to reflect the Local Government Act 2020 – CEO and Finance and Audit Committee.**
- 2. Finance and Audit Committee recommend moving forward to document any conflicts by filling out a declaration form – CEO and Finance and Audit Committee to develop the form to be used for each occasion a conflict is declared.**

6. Correspondence

Purpose

To report on correspondence directly to and from the Board and/or relevant to Board governance.

Correspondence Inwards – No correspondence noted

7. Election of Deputy Chair

Nominations were called for a GV Libraries Board Deputy Chair.

Only one nomination of Matt Jarvis to be the Deputy Chair
Matt Jarvis accepted the nomination.

Recommendation

That the Board elects Matt Jarvis as Deputy Chair

Moved: Ghulam Hussain

Seconded: Paul Murray

8. CEO Report

Report

This report provides information on the activities of the CEO and any salient items of specific operational and strategic interest that the CEO deems to be relevant and not covered elsewhere in the agenda. A verbal report will be provided at the meeting.

Activities and Priorities

Following the adoption of the Library Plan, this document sets the agenda for my activities and priorities.

In the period since the last meeting, I have spent significant time with;

- Numurkah project
- Nagambie – Building issues – Library closed until further notice
- 2023/24 Budget
- Tatura security
- Launch of Yarrawonga Fundraising Committee

My priorities in the next few months will be:

- Nagambie Library - relocation
- Numurkah plans and project commencement
- Tatura Library 7/11/7 implementation
- Yarrawonga Fundraising Committee

The CEO also noted that the State Government fund will not increase this year at all. There is no written confirmation of this yet.

Library Projects

Numurkah Refresh – August 2023

Euroa Refresh – October 2023

Yarrawonga – New Library Project – hopefully, works being started next week

Library Asset Stock take and tagging

Library asset Stock take and tagging project. We aim to get around all the branches by September, so we have a clear list of all assets, and they are tagged.

Open Library – Costings and possible rollout to other libraries

Recommendation

That the CEO report be accepted

Moved: Paul Murray

Seconded: Jess Bonaddio

9. Current/Past Mobile Costs and Usage

Ongoing costs of the mobile library from 2018/19 – 2022/23 – show that the vehicle has reached its end of life. An increase in running costs and maintenance and lower usage by library customers raise significant questions about the viability of continuing this service.

Action: The CEO to bring a report to the September meeting on other options, including the “no option” scenario. Then after the September meeting, it was suggested to go out to consultation with the community on the different options and encourage feedback and other options if they have them.

Recommendation

That the Board notes the Current/Past Mobile Costs and Usage statistics and a report on the Mobile options be brought to the September meeting.

Moved: Dawn Bray

Seconded: Ghulam Hussain

10. e-Resource Depreciation Review

The full report is attached with the agenda.

Based on the information reviewed, the following recommendations are made in relation to categories and useful life for use in depreciation calculations. What was also recommended is that the method of depreciation used continue to be a straight line as this will best meet the purposes of the Goulburn Valley Libraries. See the table below.

RECOMMENDATION

Category	Useful Life
Books	10 years
Digital Media	5 years
eResources	3 years

The change for books to e-resources from 12 years to 3 years will result in \$164,858 in additional depreciation as a one-off hit in 2022/2023, which is the difference in depreciating over 12 years as opposed to 3 years for all e-resources classified as books purchased prior to 30/06/2022.

The current year's e-resources have not yet been added to the asset register, so the total depreciation on these and the e-resources assets for 2022/2023 totals \$114,250.

So, in summary, the total depreciation on e-resource assets for 2022/2023 will be \$279,108 (\$164,858 + \$114,250).

The recommendations also noted that e-resource assets purchased with a 1-year licence should be expensed directly through the P&L statement and not as assets purchased that are capitalised.

Action: for the CEO to request GSCC Finance Team to show e-Resource assets expensed as a separate line in the P&L statement in finance reports.

Recommendation

That the Board approves the recommendation of the e-Resource Depreciation Review – Books 10 years, Digital Media 5 years and eResources 3 years, also noting that eResource assets purchased with a 1-year licence should be expensed directly through the P&L statement and not as assets purchased that are capitalised.

Moved: Matt Jarvis

Seconded: Dawn Bray

11. Cybersecurity Review

GV Libraries undertook a Cyber Security assessment using the – Australian Government Cybersecurity tool.

VAGO Auditors – Cybersecurity requests below and update

2023.2 Cyber Awareness

Throughout our review of the controls surrounding the IT Environment, we noted the following with regards to awareness of Cyber risk and security:

- A Cyber Maturity Assessment (for example against the ACSC's Essential Eight) has never been undertaken
- Cyber awareness training for staff has not been provided
- The Organisation currently has no cyber liability cover,

Cyber risk is a growing concern across the sector, with growing evidence showing that smaller entities are now becoming a consistent target. Without appropriate awareness of the risk and security measures undertaken by the entity, it leaves the Organisation vulnerable to cyber-attacks.

We recommend the library undertake the ACSC's cyber assessment, along with providing cyber awareness training to staff at the library. Furthermore, we also recommend the entity investigate whether cyber insurance would be appropriate.

Recommendation Accepted

Responsible officer: CEO

Implementation date: 31 July 2023

Cyber-security review has been undertaken and GVRLC is in the process of implementing actions, GVRLC is also in the process of obtaining a quote for Cyber-Security insurance.

2023.2

Recommendation	Update
A Cyber Maturity Assessment be undertaken	DONE – 17/3/2023
Cyber awareness training for staff	Phishing started 1 June 2023 – 2 months, then training will commence.
Cyber Security Liability cover	Quote received June 2023 Below

QUOTE: Cyber Security Liability cover

Quote on the library based on its revenue of \$4,083,155:

Limit of Liability (LoL) = \$1,000,000

Deductible/Excess = \$15,000

Base Premium = \$3045 + charges (GST & SD). (Excl. IT hardware extension & reinstatement)

With IT hardware extension = \$3045 + \$1,250 + charges (GST & SD).

With reinstatement = \$3806 + charges (GST & SD).

2023.3

Ref	Description of finding and implication	VAGO recommendation on new findings and update on open items	Response from management
2023.3	<p>User Access Settings</p> <p>Throughout our review of the controls surrounding the IT Environment, we noted the following user access settings did not meet best practice:</p> <ul style="list-style-type: none"> Multi-factor authentication is not enabled. Workstations do not automatically lock after inactivity and these settings are controlled by the staff members. Network passwords are not forced to reset periodically. Failed login attempts are not monitored. <p>Without these controls, there is a risk of inappropriate access to the library's devices which could result in sensitive information being inappropriately being accessed or compromised.</p>	<p>We recommend management:</p> <ul style="list-style-type: none"> Implement multi factor authentication. Ensure workstations automatically lock after inactivity and remove the ability for staff members to change these settings. Implement an automatic periodic rest of network passwords. Log and Monitor failed login attempts for unusual activity. 	<p>Recommendation Accepted</p> <p>Responsible officer: CEO</p> <p>Implementation date: 31 July 2023</p> <p>Management to implement improved controls as recommended.</p>

Recommendation	Update
Multi-factor authentication	DONE – 1/6/2023
Workstations do not automatically lock after inactivity, and these settings are controlled by the staff members	A computer policy setup regarding activity – standard 15-minute
Network passwords are not forced to reset periodically	Password is now set to expire in January each year and forced to reset This was changed after consultation with the F&A committee to 4 Months
Failed login attempts	These are monitored weekly by our IT support team

Recommendation

That the Board approves the Cybersecurity Review – noting that the change in the password forced to reset in 4 months, not 12 months, for better security and also approves the CEO to obtain insurance for Cybersecurity, including reinstatement.

Moved: Ghulam Hussain

Seconded: Jess Bonaddio

12. Finance and Audit Committee – Election of Chair

Finance and Audit Committee - election of the Chair

Matt Jarvis was the only nomination and accepted the role.

Recommendation

That the Board elects Matt Jarvis as Finance and Audit Committee Chair

Moved: Louise Mitchell

Seconded: Dawn Bray

13. Financial Report

Financial Reports 31 May 2023

The CEO went through the Financial Statements to 31 May 2023.

It was noted that the State Government funding, as predicted at 2.5 %, was not likely.

It was also asked that ratios that are relevant to Libraries be added to the financial reports -

Liquidity and underlying result

Action: CEO to follow up with GSCC Finance Team

Recommendation

That the Board approves the 31 May 2023 Financial report with the action for the CEO to follow up with the GSCC Finance Team regarding ratios, Liquidity and the underlying result being added to the financial reports.

Moved: Matt Jarvis

Seconded: Paul Murray

14. 2023/24 Budget

This was advertised to the public from May 12 until June 9 2023 – no submissions were received.

Background

This report provides the preliminary 2023/24 budget for all activities of Goulburn Valley Libraries.

A preliminary Revenue and Expense budget has been prepared.

The key influences and assumptions in relation to the draft budget are;

1. Return to adjusted normal pre-COVID-19 operations.
2. Increased revenue requirement from each Municipality of 2.0%.
3. Assumed increase in State Govt grant revenue of 2.5%.
4. Increase in revenue from Bank deposits.+\$35k
5. Donation revenue from Yarrawonga Library Fundraising will be direct in and out through the financial year and is included in the budget.
6. Increase in Book stock purchase by 2% from \$457k to \$465k
7. Maintain shelf-ready purchases to reduce key personnel risk.
8. Employee benefits increase by 2.0% (EBA 2022)
9. New HR and IT support contracts in place.
10. New staff .6 EFT position Band 4 to support the programs team member who programs for all 11 Branches.
11. Increase in depreciation expense of 2% due to increased capital purchases for eBook stock and revised depreciation life.

It was noted that the assumptions expressed in items 3 and 8 are looking unlikely to be achieved in the current financial climate (constrained public sector budgets and in a time of high inflation and cost escalations).

Other items that could impact the final adopted budget include;

1. Consulting expenses to investigate the new governance model in excess of budget.

Recommendation

The Board approves the 23/24 GV Libraries budget with the understanding that the State Government funding, as predicted in the budget of 2.5% is unlikely and to be noted in the budget papers.

Moved: Louise Mitchell

Seconded: Matt Jarvis

**Goulburn Valley Regional Library Corporation
Budget Income Statement
2023/2024 Financial Year**

	2022/2023 Adopted Budget \$	2023/2024 Preliminary Budget \$	2024/2025 Preliminary Budget \$	2025/2026 Preliminary Budget \$
REVENUE				
User Fees	50,200	54,200	54,742	55,289
Grants (Operating)	1,154,173	1,003,227	1,023,292	1,043,758
Contributions (Monetary)	2,845,782	3,132,598	2,960,650	3,019,863
Other Income	23,000	40,000	40,000	40,000
Sale of Assets	10,000	10,000	10,000	10,000
TOTAL REVENUE	4,083,155	4,240,025	4,088,683	4,168,910
EXPENSES				
Employee Costs	2,378,000	2,434,933	2,493,632	2,553,504
Materials and Services	1,013,700	1,243,300	1,033,566	1,054,237
Depreciation	509,796	463,677	472,951	482,410
Borrowing Costs	450	0	0	0
Other Expenses	59,418	59,918	61,116	62,339
TOTAL EXPENSE	3,961,364	4,201,828	4,061,264	4,152,490
Surplus/(Deficit) for the period	121,791	38,197	27,419	16,420
CAPITAL EXPENDITURE				
Book stock & resources				
Physical Books and resources	225,000	227,250	229,523	231,818
PRC books and resources	27,000	27,000	27,000	27,000
eBooks & eAudiobooks	130,000	135,200	140,608	146,232
DVD's	40,000	40,400	40,804	41,212
Audiobooks	35,000	35,350	35,704	36,061
Vehicles	50,000	30,000	40,000	45,000
Equipment & furniture	5,000	5,100	5,202	5,306
CIT	35,000	35,700	36,414	37,142
Avenel/Murchison Project	30,000			
Euroa/Numurkah Refresh	47,000			
Total Capital Expenditure	624,000	536,000	555,254	569,771

15. Business Operations Report

The CEO ran through the highlights of this report and pointed out that the visits have increased in this quarter, which is pleasing to see. There is also a need for more promotion of the Murchison locker to increase usage if this service is to be retained in the current location.

Items to focus on for improvement over the next 12 months relate to visitation, loans, and partnerships.

This report provides an update on the great work the team are doing and continues to do for the Operational Activities of the Goulburn Valley Libraries for the period to date.

Recommendation

That the Business Operations Report is noted.

Moved: Louise Mitchell

Seconded: Paul Murray

16. Draft Reconciliation Action Plan

Background

A draft Review Reconciliation Action Plan was submitted to Reconciliation Australia in July 2022, and feedback was received in October 2022.

This feedback has now been incorporated into a new Draft RAP for review and adoption by the Board prior to resubmission to Reconciliation Australia for review and endorsement.

Meeting on April 20, it was advised that the Board Officers would like to take this plan back for their council officers.

The revised Draft is an attachment sent with the agenda.

It was noted that not all Councils have RAPs, and therefore, it would be prudent not to name any specific RAPs developed by individual Councils.

Strathbogie – Note their MOU with the Taungurung Land and Waters Council – It was recommended that the CEO note that future programs and collaboration with the Taungurung should be through this MOU.

It was asked if this plan had been discussed with the Taungurung Land and Waters Council. The CEO did not think it had and was going to follow up with Amanda Tingay to make sure this is done before the board adopts the Draft Reconciliation Action Plan

ACTION: The CEO to follow this up.

Recommendation

That the Board adopts the Draft Reconciliation Action Plan for submission to Reconciliation Australia for approval.

NOT ADOPTED – CEO to follow up with the Taungurung Land and Waters Council regarding the action plan

17. Library Projects – in CEO report

18. Motions on Notice

No Motions of Notice

19. Other Business

- The Chair noted that the Finance and Risk Committee are looking at the GV Libraries Risk Register and will take it offline and workshop the document that needs updating. It will be brought to the Board at the next meeting.
- CEO performance appraisal and 6-month probation period – The chair will bring the recruitment group back together for this.

20. Next Meeting

The next ordinary meeting of the Board will be held on 21 September 2023, commencing at 2 pm via Teams or in person at 79 Benalla Road Shepparton.

Board Meeting Planner

Date	Meeting	Agenda Items
13 April 2023	Finance & Audit Committee	Business Continuity Plan Asset Register Review
20 April 2023	Board	Approve Budget for public review approved. Draft Reconciliation Action Plan for submission to Reconciliation Australia for approval. Deferred
15 June 2023	Finance & Audit Committee	<ul style="list-style-type: none"> • Draft Budget • Review Delegations • eResource Depreciation Review • Cybersecurity Review • 31 May Financial Reports • 23/24 Budget • Performance Review Status • Business Continuity and Disaster Recovery Plan review • Review of Risk Register and Key Organisational and Business Risks • Review Fraud Prevention Policy • Review Board Code of Conduct
22 June 2023	Board	<ul style="list-style-type: none"> • Draft Reconciliation Action Plan for submission to Reconciliation Australia for approval • Approve Budget

		<ul style="list-style-type: none"> • eResource Depreciation review • Cybersecurity Review
14 September 2023	Finance & Audit Committee	<ul style="list-style-type: none"> • End-of-year financial report • Review Annual Report & Financial Standard Statements • Business Continuity and Disaster Recovery Plan review • Review of Risk Register and Key Organisational and Business Risks • Review Fraud Prevention Policy • Review Board Code of Conduct
21 September 2023	Board	Annual report Mobile library Draft Reconciliation Action Plan for submission to Reconciliation Australia for approval
16 November 2023	Finance & Audit Committee	Internal Audit Plan
23 November 2023	Board	Confirmation of chair, deputy, committees

Felicity Macchion
Chief Executive Officer