

Netball mum Kelly Anne Howard 'defrauded' Wathaurung Aboriginal Corporation

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By Sarah Danckert



Uncle Bryon Powell stood down as chair of the Wathaurung Aboriginal Corporation earlier this year. *Photo: Justin McManus*

As smoke billowed across tourist town Sovereign Hill last month, hundreds of people clambered for a glimpse of the night-time corroboree.

The event had deep meaning for both the participants and the watchers – it was the first time in 160 years the Wadawurrung nation had held such an event in Ballarat.

Uncle Bryon Powell, a big, strong-looking man cloaked in a possum skin, took centre stage as the elder of his people.

Yet few in attendance would have been aware of the deep strife afflicting the Indigenous corporation behind the event that had led to its financial management and governance being called into question by the federal regulator – the Office of the Registrar of Indigenous Corporations (ORIC).

Less than three weeks after the dust settled at the corroboree stomping ground, Wathaurung Aboriginal Corporation, trading as Wadawurrung, accused its former bookkeeper Kelly Howard in the Supreme Court of Victoria of defrauding the organisation of more than \$475,000 over a six-year period.

The court filing came amid an investigation by Victoria Police into Ms Howard's alleged fraud, a spokeswoman for ORIC tells BusinessDay.



Keen netballer Kelly Howard is accused of funnelling hundreds of thousands of dollars from Wathaurung Aboriginal Corporation to fund personal purchases. *Photo: The Courier*

Wathaurung Aboriginal Corporation manages Aboriginal heritage values and culture within Wadawurrung country – a stretch of land that takes in Ballarat, Melton, Geelong and the Bellarine Peninsula.

Ms Howard, a netball mum and once relied-upon accountant, is accused of funnelling the hundreds of thousands of dollars from Wathaurung Aboriginal Corporation to fund personal purchases.

Late last month the Supreme Court of Victoria placed a freezing order over Ms Howard's private properties, bank accounts and other assets.

Ms Howard's alleged spending spree on the Indigenous corporation's dime included but was not limited to landscaping works for her husband, Brad Howard, interactive comedy dinners by Bare Elements – the troupe behind "A Dinner to Die For" – and 20 netball dresses.

Hundreds of other transactions allegedly performed by Ms Howard moved money from the Indigenous corporation to her own ANZ bank accounts or to Kelly Howard Pty Ltd.

Some of these transactions include false invoices according to court documents, including a payment of \$13,566.03 to Aquair Pty Ltd for repair and installation of a heater system, according to an affidavit filed by the corporation's new auditor, Sandra Campbell from RSM.

"I made inquiries with Aquair ... and was informed they have never issued this invoice or provided the good referred to therein and that bank details and BPAY code do not belong to them," Ms Campbell alleges.

"In fact I believe the BPAY reference on the false invoice is BPAY reference for payments onto Ms Howard's ANZ credit card."

The bulk of the transactions do not include invoices, according to court documents.

The organisation's long-time auditor Ron Jennings and his firm Barker & Jennings are accused of professional negligence for not picking up the alleged fraud committed by Ms Howard – a former employee at his firm who still works out of the same building on Lydiard Street in downtown Ballarat.

Mr Jennings was retained by the corporation in 2010 to resolve what is described in court documents as a "serious matter".

He did not respond to email, text message and telephone enquiries.

Ms Howard claimed Mr Jennings has a call option over Kelly Howard Pty Ltd and she has no control over the money in its coffers. She said she is paid a salary of \$71,232 from Kelly Howard Pty Ltd.

Wathaurung Aboriginal Corporation alleged Ms Howard's work was on a pro-bono basis.

The accusations against Ms Howard came after a prolonged period of poor financial management and lax governance that sparked an intervention by the ORIC following an examination of members of the corporation by ORIC and external auditors at Grant Thornton.

In a report filed on February 15 this year ORIC delegate Peter Armstrong stated: "After considering the results of the examination, I suspect on reasonable grounds that there are irregularities in the affairs and financial affairs of the corporation". It found the corporation's directors were "not monitoring (the corporation's) financial position" and had breached numerous governance standards.

Ms Howard left the corporation in early March.

Mr Powell stepped down as chair earlier this year. Mr Powell is not alleged to have any role in Ms Howard's alleged fraud. It is unclear whether he stepped down as the result of the examination.

When contacted by Fairfax Media, Ms Howard declined to comment except to say she was preparing a defence to the allegation.

Lawyer for the corporation, Carl Wilson from Galbally O'Bryan, also declined to comment on the case or answer a series of questions pertaining to the financial management of the company including to whom it paid \$677 in child support in 2015, why the corporation had such lax governance structures and what the "serious matter" cited in the court documents was.

ORIC spokeswoman Patricia Gibson told BusinessDay the alleged fraud was identified by the corporation as a result of the examination.

"The directors took prompt action and properly referred the matter to their solicitors and the Victorian Police," Ms Gibson said.

"Our office has also been liaising with the Victorian Police and will provide any assistance they may require," she said.

Ms Gibson said it would not be appropriate for the registrar to comment on the matter as it was before the court.

"However, the registrar notes that the governance and regulatory framework has worked well in this particular instance, with the work of the regulator leading to the directors identifying matters of concern and referring those matters to their lawyers and the police, and otherwise improving their internal governance."

She added the process to rectify the corporation's governance and financial issues was close to being completed.

"For reasons of privacy we are unable to comment on whether Wathaurung Aboriginal Corporation was selected for examination as part of our rolling program or as a result of a complaint," Ms Gibson said.

Wathaurung is also involved in another legal stoush in the regional Victorian town of Anakie over the development of a quarry on land believed to be a key Indigenous site.

That matter is currently being litigated between the quarry owner and state body Aboriginal Affairs Victoria.