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### **Auditor faults Fire Department's payroll records Mike Foley says no full review yet because "we can't audit records that don't exist."**

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**STAFF WRITERS** **Date:** October 28, 2010 **Section:** News

The **Omaha Fire Department's** system for tracking employee work hours is "woefully inadequate" and cannot guarantee that all **fire** officials showed up for work that they were paid for, **State Auditor** Mike Foley said Thursday. Foley announced his findings at a press conference with **Omaha** Mayor Jim Suttle, Finance Director Pam Spaccarotella and **Fire** Chief Mike McDonnell. Foley said the city is cooperating with his office and has shown willingness to address the issues he found.

The payroll problems were the centerpiece of Foley's report. He said the current record-keeping system, which is several decades old, must be changed in order to assure taxpayers that their money is being spent correctly.

"It's time for an overhaul of that system," Foley said. "It's going to take some time to put in new processes."

Foley said he could not verify whether **fire** union officials had correctly recorded time spent on union business.

City officials say they will put a new computer system in place next year and will track certain issues manually until then. Once the new system is in place, Foley's **auditors** will return to conduct a full audit of the **Fire Department** - something that Foley said would be pointless now since the paper trail isn't there.

"We can't audit records that don't exist," he said.

Suttle said Foley's review reinforces his administration's efforts to improve **Fire Department** finances. He noted that Spaccarotella

already has worked to reduce overruns in the **department's** \$69.5 million annual budget and has assigned an accountant to closely monitor **fire** spending.

Suttle said the review "identified necessary changes we have been working to correct and has provided suggestions for future measures we can implement to further enhance our financial oversight of the **Omaha Fire Department.**"

Foley said he could not say that any **fire** officials had cheated the system. Instead, he said, the records are so incomplete that no assurance can be given.

Foley also addressed two other issues: a federal grant to the **Fire Department** and the **department's** nonprofit Kloewer Fund.

The federal SAFER grant, which was about \$2 million, was awarded to the city in January 2009. It would have required the city to add 18 firefighters.

City officials later determined that they would not be able to afford the additional staffing and gave up the grant, reimbursing the \$166,000 that already had been spent.

Foley said city officials handled the matter properly.

The Kloewer Fund was established more than 30 years ago to honor a former firefighter. Money donated to the fund has been spent on training, equipment, and other **fire** safety-related efforts.

Earlier this year, The World-Herald reported that loose accounting and ambitious spending had largely depleted the city-run fund.

Foley determined that the Kloewer Fund at times lacked proper documentation, though corrections have been made under the Suttle administration.

Spaccarotella said the fund will now be managed by an outside nonprofit organization.

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