



EXECUTIVE VICE PRESIDENT AND PROVOST

The University of Texas at Austin

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August 30, 2019

Ward Farnsworth
Dean, School of Law
Mail Stop D1800

Re: Law School Management Concerns

Dear Dean Farnsworth:

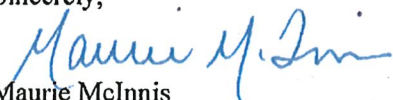
While I recognize that you have made positive contributions to the law school and the university in your role as dean, I must raise a concern that we will work together to correct. I understand from our internal auditors that your oversight of the law school operations resulted in serious failures that must be corrected. The following examples, though not exclusive, highlight these issues:

- Your employee carried out a significant fraudulent misappropriation of law school funds. There is no evidence that anyone else in the law school was involved in the employee's fraudulent activities. However, you did not respond effectively to signs of trouble. Instead, when you were alerted of concerns regarding your employee's procurement and accounting practice irregularities, you did not ensure his compliance with our policies regarding essential documentation and appropriate processes. The lack of oversight allowed the employee to continue a pattern of misappropriation of funds resulting in significant loss to the university.
- You did not impose sufficient controls and oversight over the financial operations of the law school. For example, the law school paid duplicative invoices and incurred unrestrained moving expenses. When employees are given authority to make fiscal decisions, it must be coupled with oversight that includes competent scrutiny and review of those spending decisions. Maintaining inadequate oversight of the incurrence and payment of expenses compounded the harm to the university caused by the employee's fraudulent activities.

We support your plan to implement improvements in compliance education at the law school. However, we also expect you to develop and implement a strong system of control and oversight. To ensure these steps are accomplished, the law school will fund a continuous audit of its internal business operations for a period of twelve months. The logistics related to the audit including selection and management of the audit staff will be directed by our Office of Internal Audits.

While these management failures are serious and concerning, I believe that with your commitment and cooperation with internal audit, we can work collaboratively to ensure we achieve excellence. I know you join me in my commitment to our university's culture of integrity and ethical behavior.

Sincerely,


Maurie McInnis
Executive Vice President and Provost