

The Importance of the Internal Audit Function in the Implementation of the General Corruption Prevention Regime in a Public Higher Education Institution in Portugal

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Abstract

The internal audit function has been assuming an increasingly strategic role in the public sector, keeping pace with the evolution of legal requirements, societal expectations, and the growing complexity of organizations. In the context of Portuguese Public Higher Education Institutions (IESPP), this function is particularly relevant, not only due to the management autonomy that characterizes these entities, but also because of the diversity of practices and levels of maturity observed among institutions. Recent studies show that the degree of recognition, structuring, and integration of internal audit varies significantly across IESPP, influencing the effectiveness of control mechanisms and the prevention of corruption risks.

The implementation of a robust, effective, and risk-proportionate Internal Control System is an essential requirement for any modern organization, but it becomes especially important in IESPP. These institutions deal daily with complex processes involving thousands of stakeholders — students, faculty, researchers, staff, and external partners — and millions of financial and administrative transactions. The existence of multiple layers of control is crucial to prevent and detect errors, irregularities, corrupt practices, fraud, misappropriation of goods and/or assets, as well as behaviours that may compromise integrity, transparency, and good governance.

Within this framework, internal audit — often identified as the 3rd Line of Defense in the international risk management model — stands as a structuring pillar. Its mission to independently and objectively assess the adequacy and effectiveness of management, control, and governance processes makes it a key element in the implementation of the General Corruption Prevention Regime (RGPC). Internal audit contributes not only to ensuring legal compliance but also to promoting an organizational culture oriented toward ethics, accountability, and continuous improvement.

The relevance of this function becomes even more evident when considering the financial and social dimension of IESPP. In 2025, the initial allocations transferred through the State Budget amounted to approximately 1.5 billion euros, while the total institutional budgets, including own revenues, exceeded around 2.9 billion euros, representing roughly 0.5% of Portugal's GDP. At the same time, these institutions host more than 350,000 students, playing a decisive role in advanced education, scientific research, and the country's economic and social development.

The purpose of this case study is to characterize and highlight the role of internal audit in an IESPP within the context of RGPC implementation. It aims to demonstrate how this function, as an independent consulting and assessment activity, contributes to strengthening confidence in management processes, ensuring regulatory compliance, adding value to operations, and supporting the development of more ethical, transparent, and resilient governance.

Keywords

Internal Audit, General Corruption Prevention Regime, Public Higher Education Institutions