Corporate Governance and Internatial Audit in Public Higher Education Institutions in Portugal

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Abstract: Governance covers a comprehensive analysis of how higher education is governed. Governance comprises a complex set of aspects such as the legal framework, the features of the institutions, the form of relationship with the whole system, the funding model, as they are being held accountable on how money is spent and the less formal structures and relationships that affect behavior. The radical changes in the university environment, has imposed changes within the higher education institutions (HEIs). The massification of education and the reduction of the company's willingness to fund the decrease in government funding and increasing institutional autonomy have forced universities to adopt new forms of manageme In Portugal, the Legal Regime of Higher Education Institutions (RJIES) sought to promote meaningful change and a paradigm shift in the governance of these institutions in Portugal. The main objective of this article is to understand the consequences that the new regulations had in the governance of HEI and in the adaptation of processes, in a context of reduction of higher education funding.

Keywords: Higher Education, University, Polytechnic, audit, corporate governance.

Introduction

According to the OECD (2012: 27; 2013: 43), higher education in Portugal has, in recent decades, an undeniable evolution and an unquestionable way, thereby contributing to economic, social and technological development of Portugal.

Article 76 of the Portuguese Constitution assigns to higher education institutions (HEI) some flexibility of management. Indeed, it is recognized to HEI, given its characteristics, a range of management autonomy that involves the scientific freedom, pedagogical, administrative, financial and property and, in a way, also allows them some flexibility in managing their human resources.

Indeed, the Legal Regime of Higher Education Institutions (RJIES), approved by Law No. 62/2007 of 10 September, to introduce profound changes in university management, establishes the possibility of these institutions "adopt an institutional model of organization and management deemed most appropriate for the performance of their mission, as well as the specificity of the context in which they operate", subject to compliance with the law.

So, can we speak of corporate governance (or governance) applied to the HEI? Barakonyi (2007) identifies the main structural elements of a corporate governance system, as follows:

- Investors / shareholders - deliver (at risk) funds, but do not have the responsibility of daily operations. They have limited involvement in activities.
- The executive managers - run the company, but do not have the responsibility of providing funds.
- The Board of Directors – represents the shareholders (owners and investors) and protects their interests. Approves the main strategic guidelines, formulates the basic social policies and ensure the follow-up. Prepares and approves the long-term strategic decisions.

Companies are essentially governed by a board of directors that oversees top management with the agreement of the shareholders. The board's responsibilities are directed to the company as a whole. It is concerned with defining the mission, vision and strategy, the hiring or dismissal of the Chief Executive Officer (CEO), monitors and controls, approves the use of funds and looks after the interests of shareholders. The board of directors runs the company but does not control it; so it is necessary to ensure the balance of interests of various groups.

In the case of HEI, the radical changes in the university environment imposed changes within these organizations. The massification of education and the reduction of the company's willingness to fund the decrease in government funding and increasing institutional autonomy, have forced universities to adopt new forms of management. Most universities have had need to change their educational systems. As a result of the changes, the influence of the market and demanding needs of society, strengthening the autonomy and accountability of the HEI, the greater complexity of internal structures, have determined a new paradigm of management. New ideas and new methods are adopted in the academic universe, i.e. it needs to change the current system of corporate governance.

In Portugal, the RJIES sought to promote meaningful change and a paradigm shift in the governance of universities. The main objective of this article is to understand the consequences that the new regulations had in the governance of higher education institutions (HEIs), as well as in the adaptation of the processes and in the reduction in the context of higher education funding.

Methodology

The basic methodology for the preparation of this article was the qualitative approach to a problem that, in addition to being a choice of the investigator, is justified, above all, to be an appropriate way to understand the nature of a social phenomenon. The qualitative aspect of an investigation may be present even on information obtained in essentially quantitative studies. There is a methodological guidance of naturalistic character - characteristic of qualitative approaches - when, for example, indicators and descriptors used in instruments, are primarily obtained from the direct observation of the contexts in analysis.

For the preparation of this article it was used qualitative research and literature search in order to study the underlying complexity to the problem of corporate governance in the public sector, analyze the interaction of certain variables and understand and classify dynamic processes experienced by social groups.

A literature search was made based on a survey of theoretical references, published written and electronic media, such as books, papers and web sites pages.

In turn, the exploratory research aimed to provide greater familiarity with the issue, to make it more explicit in the construction of hypothesis.

Theoretical basis

Context approach

According to Elena & Sánchez (2013: 48) currently HEIs are critical actors in a knowledge-based economy. They are essential for the production, transmission and dissemination of knowledge and are at the forefront of the political agenda.

Recently, the governments of the OECD, almost without exception, have been reforming, revised or restructure their higher education systems (HES). Behind such reforms are profound changes in its objectives and the challenges it faces, the character of its institutions and the type of customers. It is now better understood that universities and other higher education institutions need to adapt to a more complex environment in which expectations and recognition of higher education have changed.

Governance covers a comprehensive analysis of how higher education is governed. Governance comprises a complex set of aspects, namely: the legislative framework, the characteristics of the institutions, the form of relationship with the whole system, the financing model of the institutions, as they are being held accountable on how this money is spent, as well as less formal structures and relationships that affect the behavior.

Fielden (2008: 2) argues that the governance of higher education "translates the structures, processes and activities that are involved in the planning and direction of the institutions and the people who work in higher education."

Also Altbach (2008: 10) says that in the new university governance, academic weight in the control of the core decisions is decreasing. There is supremacy on behalf of management, efficiency, accountability and emphasis on management practices arising from the private sector and business, so the government is being replaced by the management.

In line with the ideas advocated by the OECD, among the many factors that now influence the approaches to higher education governance are particularly important the five following elements:

· The debate over whether markets are efficient in allocating services such as education, and if it lead to results that serve the public interest;

· The role of a new approach to the management of public bodies, often called new public management, which in other areas is related to promoting greater efficiency and responsiveness. In universities, the idea of "management" sometimes leads to distrust approaches, so this tool has had trouble finding wide acceptance.

· The appreciation by many higher education institutions of their autonomy. It does not mean "academic freedom", although the two concepts are related, but rather the ability and the right to an institution to determine its own field without undue state interference. That autonomy is a relative concept, which exists in different degrees in different contexts.

· The important implications of funding resulting from the huge expansion in enrollment, which transformed the higher education in an elite sector, came to a sector that covers a large part of the population. Governments must finance the expansion of higher education and take into account that their citizens have to pay more taxes to maintain the institutions accountable for results. The governance of higher education is closely related to its financing.

· The growing importance of market regulation, through setting standards and performance monitoring in higher education systems that are increasingly diverse with the risk of becoming too diffuse. Quality assurance agencies were almost unknown in higher education 20 years ago; now they are common.

Corporate Governance in Higher Education

The Report of the Committee on the Financial Aspects of Corporate Governance (the Cadbury report) defined corporate governance as "the system by which organizations are directed and controlled". He identified the three fundamental principles of corporate governance (corporate governance) as: (a) opening; (b) integrity; and (c) accountability.

These principles are relevant to public sector entities as are for private sector entities. They apply equally to all public sector entities, regardless of the governing bodies are elected or appointed, and wants to integrate or not a group of people or an individual.

The three principles identified in the Cadbury Report (1992: 15): openness, integrity and accountability were built and redefined in order to reflect the public sector context, as shown in Table 1. From the fundamental principles is possible to deduce a set of recommendations on governance.

Table I
Governance Principles in Public Sector Context

	Governance Principles in Public Sector Context
Openness	Openness is necessary to ensure that stakeholders can have confidence in the decision-making process and actions of public sector entities in the management of its activities and in the individuals within them. Being open through meaningful consultation to stakeholders and communication of complete, accurate and clear information that leads to effective and timely action, resisting the necessary scrutiny.
Integrity	Integrity comprises the actual operations and completeness. It is based on honesty and objectivity and high standards of propriety and probity in the management of public funds and resources and management of the entity's affairs. It is dependent on the control board effectiveness and on the personal standards and professionalism of the individuals within the entity. It reflects both in decision-making processes of the organization and the quality of its financial reporting and performance.
Accountability	Accountability is the process by which public sector entities and the individuals within it are responsible for their decisions and actions, including the management of public funds and all performance aspects, and to submit to the appropriate external scrutiny. The accountability is achieved when all parties have a clear understanding of clearly defined responsibilities and of roles through a robust structure. Indeed, accountability is the obligation to account for a responsibility conferred.

Source: IFAC (2001:12)

IFAC, through the Study No. 13, considers that these core principles are mirrored in each of the dimensions of the governance of public sector entities, namely:

- Patterns of behavior - has to do with how the organization's management exercises leadership in determining the values and norms of the organization that define its culture and the behavior of everyone in it.

- Structures and organizational processes - considers how the top management in organizations is named and is organized as well as their responsibilities are defined, and how is carried their accountability.

- Control - refers to the connection of the various controls established by the organization's top management to assist in achieving the entity's objectives and determining the effectiveness and efficiency of operations. Takes into account the reliability of internal and external reporting, compliance with applicable laws and regulations and internal policies.

- External Reporting - includes how the organization's top management demonstrates its accountability in the management of public funds and their performance in the use of resources.

As relates to the behavior patterns, through the figure 2 we can analyze the detail in which this principle materializes.

Table 2
Behavior Patterns

Behavior Patterns		
Leadership **Codes of conduct** ▫ Probity and Propriety ▫ Objectivity, Integrity and Honesty ▫ Relationships		
Organizational Structures and Processes	**Control**	**External Reports**
Statutory accountability Provision of public funds accounts Communication with Stakeholders Roles and responsibilities Balance of Power and Authority The Governing Body The President Non-executive Board of Directors Members Executive Management Remuneration Policy	Risk management Internal audit Audit committees Internal control Budget Financial management Staff training	Annual report Proper use of accounting standards Performance Measures External audit

Source: IFAC (2001:14)

Behavior patterns

Leadership - members of the governing bodies of public sector entities need to exercise leadership according to high standards of behavior, which can serve as a model for others within the organization.

Probity and decorum - All civil servants should have a conduct which works in accordance with high standards of behavior, as this may turn out to be reflected in its reputation and at the entity. In particular, civil servants should be trusted in public funds management. They must demonstrate: (a) probity in handling assets and resources entrusted to them; (b) care in safeguarding the property, assets and confidential information, by ensuring that they are not stolen, abused, or damaged; (c) compliance with the rules and procedures of the organization, especially in the accounting aspects; (d) economics to avoid waste and extravagance; and (e) personal honesty in claiming expenses and ensure that assets and public funds are not used for private purposes.

Codes of Conduct - the governing bodies of public sector entities should adopt a formal code of conduct that defines the standards of behavior that members of the governing body individually and all the entity's employees are required to subscribe.

Objectivity, Integrity and Honesty - the governing bodies of public sector authorities need to establish appropriate mechanisms to ensure that members of the governing body and its employees are not influenced by prejudices, preconceived ideas or conflicts of interest.

Relationships:

1. The public and people from other organizations

Public servants must uphold the reputation of the entity dealing with the general public and people from other organizations: (a) in an appropriate and courteous manner; (b) in a timely, reliable, and, where appropriate, confidential basis; and (c) an open, fair and efficient manner.

2. Employees

All civil servants have a general duty to treat colleagues with respect, namely: (a) be open, honest and courteous; (b) they must have due regard to health, personal safety and well-being of others; and (c) avoid harassment, discrimination or abuse of any kind.

3. Structures and Organizational Processes

Statutory accountability - the governing bodies of public sector entities need to establish effective mechanisms to ensure compliance with all applicable laws and regulations and other relevant statements of best practice.

Provision of public money accounts - the governing bodies of public sector entities need to establish appropriate measures to ensure that public funds and resources are adequately protected and economically are used efficiently, effectively, with due property, and according to law enforcement authorities or other rules governing their use.

Communication with Stakeholders

The governing bodies of public sector entities need to establish: (a) clear lines of communication with the organization's stakeholders about the mission, functions, goals and organization's performance; (b) adequate procedures to ensure that these channels operate effectively in practice.

The governing bodies of public sector entities need to establish an explicit commitment to openness and transparency in all activities of the entity, subject only to the need to preserve confidentiality in specific circumstances where it is appropriate and proper to do so.

The governing bodies of public sector entities shall make public the nomination processes, and require publicly available the names of all members of the governing bodies, along with their other relevant interests.

The traditional model of governance of universities is collegial and consultative, with large and broadly representative bodies and open forums to all academic members of the university. According to the OECD (2003: 71) the operated reforms in governance, had two main effects on internal governance: the strengthening of the power of executive authorities within the university; and an increase in participation in university governing bodies or supervisory representative of bodies of people from outside the university.

Ploeg & Veugelers (2008: 109) argue that in most countries there have been efforts to strengthen the executive powers of institutional leaders, for example in the UK in 1988, in Holland in 1997, Austria in 2002 and in Japan in 2004. The main common features concern a transfer of power to the Rector, Vice-Rector or other administrative leaders, and a loss of authority by traditional organs of power and decision-making. However, the strategies and structures chosen to implement these reforms have varied widely.

These changes are aimed at strengthening the overall energy loss faculty, increasing the weighting of "general public" and outside interests contributed to the strengthening of executive authorities. The manner in which these are represented varies considerably.

In following the advocated by the OECD (2003: 72) for example:
- In the Netherlands, there have been legislative changes, particularly in 1997 by the University Modernization Act, where the leadership is divided between a dean with executive responsibility and a Chairman of the Supervisory Board co-opted out of the University. This is comparable to the American model of university with a Chair and Chairman of the Board of Trustees (Neave, 2001). The recent reform of governance in

Austria in 2002 (De Boer & File, 2009: 12) shows similarities with the reforms operated in the Netherlands.

- In Sweden, the Board of Directors has a majority of external representatives of the trade sector, industry and regional authorities (usually 8 external to a total of 15 members). In addition, since 1997 the Chairman of the Board of Directors is no longer the vice-chancellor, but an outside personality, well qualified and experienced, which is not an employee in the institution, but appointed by the government.

Citing Altbach (2008: 11), the academic standards of traditional decision-making, no longer work well. The new governance arrangements, such as senates to manage committees were established. These organs include managers and academics, and in some cases students and stakeholders from outside the University. Academic institutions and systems are performing experiments with management standards that take into account the new realities of higher education.

Following the ideas defended by Altbach (2008: 12) and IIA (2012: 10), accountability is an additional reality, created by the size and complexity of institutions and academic systems. Funders of higher education - usually government officials - require information on the management and performance of the academy. This requires a strengthening of management as well as the unprecedented data collection on all aspects of university affairs. Internal data is needed to ensure efficient management. Furthermore, performance indicators and other reports should be generated for the lenders and other groups.

Consequently, universities have become complex organizations that require sophisticated management and new ways of governing an entrepreneurial academy (Clark, 1998). These are, at the same time the communities and student bureaucracy. The challenge of management and governance is to reconcile these different realities and sometimes contradictory.

On this understanding HEIs have been changing their governance models, with particular relevance to new audiences, changes to the operation of internal processes, diverse engagement with stakeholders, a perspective of combining accountability with new demands for performance, assessed by criteria efficiency, effectiveness and quality, while respecting their mission in higher education.

The Public Higher Education Sector in Portugal and governance

The current higher education system configuration in Portugal is based on a binary system, since it includes, as part of the training, the subsystems of university and polytechnic education. If we analyze the perspective of the founding entity, there are subsystems of public higher education, higher private and cooperative education, the concordat education and distance learning.

Paragraph 2 of Article 3 of Law No. 62/2007 of September 10 states that "the organization of the binary system should meet the requirements of an increasingly diversified demand for higher education geared to the

needs of those who graduate high school and of those seeking vocational and professional courses and learning throughout life."

The Basic Law on Education (Education Act), approved by Law No. 48/86 of 14 October, amended by Law No. 115/97 of 19 September and by Law No. 49/2005 of 30 August, determined a reorganization in respect of degrees conferred by various subsystems, which admitted the existence of four degrees: the Bachelor's degree, a degree, a Masters and a Doctorate, offered by the university and the polytechnic.

The legal regime of degrees and diplomas of higher education was approved by Decree-Law 74/2006, of March 24, as amended by Decree-Law No. 107/2008 of 25 June, and by Decree law No. 230/2009 of 14 September. This regime admits that in the higher education system start to be awarded the degrees of bachelor, master and doctor, but only the universities can confer the three degrees, but polytechnics are restricted to the first two.

Taking into account the 2012 Eurydice report, which considers that "university education aims to ensure solid scientific and cultural preparation, provide technical training to enable it to perform professional and cultural activities, fostering the development of conception capabilities, innovation and critical analysis. This education is provided at universities and non-integrated universities".

In turn, according to the same source "polytechnics aims to provide a solid cultural and top-level technique, develop the capacity of innovation and critical analysis and imparting scientific knowledge of theoretical and practical nature, with a view to exercise professionals activities. This education is provided at specialized higher institutions. "

Mobility between the two subsystems (university and polytechnic) is guaranteed through the principle of mutual recognition of the value of training and skills acquired.

The Ministry of Education has the tutelage of public higher education institutions, which enjoy administrative, educational, financial and scientific autonomy. Dependent public higher education institutions from other ministries observe a dual control system: the general control by the ministry on which they depend and the pedagogical and scientific supervision are exercised by the ministry on which they depend and the Ministry of Education.

The private higher education institutions are subject to the Ministry of Education and are governed by the Statute of Private and Cooperative Education.

The Portuguese Catholic University enjoys a special status under the Concordat signed between the Portuguese State and the Holy See.

The public higher education institutions enjoy autonomy recognized under the legal regime of higher education institutions, approved by Law No. 62/2007 of 10 September, leaving it to the State the responsibility to ensure their effectiveness and unity of action. The Ministry of Education ensures the global coordination mechanisms.

Collaborate in this coordination, the Council of Rectors of Portuguese Universities (CRUP), the Coordinating Council of Higher Polytechnic

Institutes (CCISP), and the Coordinating Council for Private and Cooperative Education (CCEPC). As advisory bodies also cooperates the National Council of Education and the Council for Higher Education.

In Portugal the public higher education consists of the following institutions:

Table 3
Public Higher Education Institutions in Portugal

University Institutions	Polytechnic Institutions
IUL - Lisbon University Institute	Polytechnic Institute of Beja
Open University	Polytechnic Institute of Cávado and Ave
University of the Azores	Polytechnic Institute of Bragança
University of Algarve	Polytechnic Institute of Castelo Branco
University of Aveiro	Polytechnic Institute of Coimbra
University of Beira Interior	Polytechnic Institute of Guarda
Coimbra University	Polytechnic Institute of Leiria
University of Évora	Polytechnic Institute of Lisbon
University of Lisbon	Polytechnic Institute of Portalegre
University of Madeira	Polytechnic Institute of Porto
University of Minho	Polytechnic Institute of Santarém
Universidade Nova de Lisboa	Polytechnic Institute of Setúbal
University of Porto	Polytechnic Institute of Viana do Castelo
Technical University of Lisbon	Polytechnic Institute of Viseu
University of Trás-os-Montes and Alto Douro	Polytechnic Institute of Tomar

Source: Prepared by own

Each one with their organic unity of teaching and research, giving them, in accordance with the Official Public Accounting Plan for the Education Sector (POC-Education), approved by Decree 794/2000 of 20 September, the allocation of Public Group. For that reason they are required to submit consolidated accounts with auditor's report.

The model of governance of HEI is defined in Law No. 62/2007 of 10 September, which approved the RJIES, which introduces a new range of options for governance of HEIs in Portugal. This new model is concerned to ensure that HEIs make strategic decisions based on rationality and efficiency of operation, quality and results, and at the same time, overcome weaknesses in the application of previous law of university autonomy, specifically in which concerned the authenticity of the processes of participation, accountability, Rector competitiveness and lack of concern for management (Pedrosa et al, 2012: 32).

As advocate Mano & Marques (2012: 725), with this new law, "is intended to address the weaknesses of European traditional systems of governance, and to this end, will seek organizational and functional solutions to the modern theory of organization and institutional management or operation of American universities of excellence".

With the approval of RJIES changes occurred in the form of election (Articles 85 and 102), skills profiles of the organs (Articles 82 and 77), structure of government, opening to the society (Article 81), participation of students (articles 81 and 104), Scientific Councils (Article 102), Creation of the Board of Management (Article 95), Educational Council (Article 104), Senate (Article 77) and Diversity of the statutes (articles 67 and 96).

The changes recommended by the RJIES, according to Marques (2011: 121), besides consolidating the governance conditions of universities, in that it differentiates the degree of responsibility of the different bodies (teachers, students and staff) in the management, has implications in the mode of the constitution of the management bodies, in its functions, organization, operation and competencies.

HEI Bodies:

Table 4

Higher Education Institutions Bodies

Universities	Polytechnics	Composition
General Council	General Council	Composed of 15-35 members
Rector	President	Is the highest authority of government and external representation of the respective institution.
Board of Management	Board of Management	Up to five members

Source: Prepared by own

The General Council is composed of 15-35 members, depending on the size of each institution, its schools and research units. The members of the General Council are representatives of academics and researchers (55%), student representatives (15%) and publicly recognized external representatives (30%).

The general council has the following main responsibilities elect their president by an absolute majority; approve its own statute; approve changes to the statutes; organize the election procedure and elect the Rector, under the law, the statutes and the regulations; consider the acts of the rector or president and the board of management; propose initiatives deemed necessary for the proper functioning of the institution; perform other duties as prescribed by law or the statutes.

The powers of the rector or the president are direct and represent the university, the university institute or polytechnic institute, respectively. It is a superior organ of government and external representation of the respective institution, responsible for the political leadership of the institution chairing the management board. Its powers are described and listed in Article 92 of the RJIES.

The management board is responsible for the administrative, patrimonial and financial management of the institution as well as the management of human resources and it shall be applicable current legislation for public bodies with financial autonomy. It is responsible for establish the fees and dues and may delegate to the organs of the organizational units and managers of services the skills considered necessary for a more efficient management.

Internal audit and governance

Audit activities in the public sector and reporting relationships exist between different jurisdictions and different forms of government. The key point, however, is that the audit activities of the public sector must be configured correctly to enable public authorities fulfill their duty of accountability and transparency to the public and achieve their goals effectively, efficiently, economically and also ethics.

Governance is defined as the combination of processes and structures implemented by the board to inform, direct, govern and monitor the activities of the organization in achieving its goals. In the public sector, governance relates to the means by which goals are set and met. It also includes activities to ensure the credibility of a public body, to ensure equitable provision of services, and ensure appropriate behavior of government employees, reducing the risk of public corruption.

Audit is one of the pillars of good governance in the public sector. By providing impartial and objective assessment on how public resources are managed in a responsible and effective way to achieve the desired results, auditors help public sector organizations to achieve accountability and integrity, improve operations and inspire confidence in citizens and stakeholders. The role of the public sector auditor is to support the governance and oversight responsibilities, with insight and foresight. The

audit assists in the supervision of public sector entities, in that it analyzes their activities, if is doing what it is supposed to do and serves to detect and prevent public corruption.

According to the IIA (2012: 16) the insight helps decision makers by providing an independent assessment of government programs, policies, operations and results. In turn, identifies trends and emerging challenges. Auditors use tools such as financial audit, performance audit, investigations and consulting services to perform each of these functions.

According to Christ et al (2013: 4) sometimes companies change the internal auditors of the internal audit function for the operational management. The internal audit function is thus used as a management training camp, and understanding how this practice affects monitoring the effectiveness of the internal audit function is essential for a comprehensive understanding of the impacts of internal audit in corporate governance.

Thus, the evidence on the consequences of using internal audit as a management training field is important for investors, boards of directors, audit committees and management. These stakeholders rely on the internal audit function to monitor effectively the financial information and to understand how the rotation of the internal auditors to management positions can impact the role of internal audit and ensuring the quality of financial reporting.

In addition, regulators must understand how the use of the internal audit function as a management training field affects the quality of financial reporting so that they can determine the potential consequences of this practice and how it should be addressed.

In Portugal the internal audit in the public sector will already usual, especially in large organizations. With regard to higher education, their presence is relatively recent and not widespread.

Law No. 8/90 of 20 February, part of the reform of financial administration of the State includes in Article 12 the existence of internal control organs, independent of the respective governing bodies since they have administrative and financial autonomy.

In turn, Decree-Law No. 166/98, of 25 June establishing the internal control system of financial administration of the state, abbreviated as SCI, under the responsibility of the Government and in particular liaison with the Ministry of Finance. The SCI is considered to be structured in three levels of control, designated operational, sectoral and strategic, and defined according to the nature and scope of intervention of the services that integrate it.

In order to verify that HEIs have internal control body, was made up a survey on the websites of these organizations and it was concluded that few entities still holds that body, as can be seen from the following outcome.

Table 5
internal audit bodies in HEI

Institution	Internal Audit Body	Note	Institution	Internal Audit Body	Note
IUL – Lisbon University Institute	No		Polytechnic Institute of Beja	Yes	Office of Quality, Evaluation and Procedures
Open University	Yes	Audit Area and Development	Polytechnic Institute of Cávado and Ave	No	
University of the Azores	No		Polytechnic Institute of Bragança	No	
			Polytechnic Institute of Castelo Branco	No	
University of Algarve	No		Polytechnic Institute of Coimbra	No	
University of Aveiro	No		Polytechnic Institute of Guarda	No	
University of Beira Interior	No				
Coimbra University	Yes	Audit Office and Internal Control	Polytechnic Institute of Leiria	No	Has Internal Control Manual
University of Évora	No		Polytechnic Institute of Lisbon	Yes	
University of Lisbon	Yes	Audit Office and Internal Control	Polytechnic Institute of Portalegre	No	
University of Madeira	No		Polytechnic Institute of Porto	No	
University of Minho	Yes	Audit Office and Control	Polytechnic Institute of Santarém	No	
Universidade Nova de Lisboa	No		Polytechnic Institute of Setúbal	No	
			Polytechnic Institute of Viana do Castelo	No	
University of Porto	Yes		Polytechnic Institute of Viseu	No	
Technical University of Lisbon	No		Polytechnic Institute of Tomar	No	
University of Trás-os-Montes and Alto Douro	No				

Source: Prepared by own

Conclusions

In the decades of 1990/2000 there were no major reforms in higher education governance in Portugal. Higher Education Institutions were able to defend their autonomy from the government. The strong dependence that universities have of public funds and the mechanisms that provide these funds are other important institutional barriers to change.

HEIs are working consistently to find funding and regulation criteria at the same time they wish to strengthen their market position. There is an emphasis on institutional strategy and a move to withdraw power to individual departments. The external members are now part of the governing bodies that were once dominated by academics. The directors are selected for their leadership skills, as well as for his academic performance.

No corporate governance system is fully proof of fraud or incompetence. The important thing is to know how far these distortions may be discouraged and how quickly can be known. The risk could be reduced if the participants in the governance process are effectively responsible.

The audit of the public sector is fundamental to good public governance, so keep the right resources, with a term of time set within the reach of the organization's governance objectives. And should provide answers to the whole range of the entity's activities.

Although auditors may be able to add value to any organization segment for which can provide objective assurance of independence, each public sector entity requires some form of independent audit activity, which has the authority to assess a wide range of public sector activities.

Audit activities are often provided by complementary external and internal audit entities. However, in some small entities from the public sector, an auditing entity itself or an entity that is a mix of internal and external audit features, can be construed as appropriate.

The audit of the public sector strengthens public governance, supports accountability and protects the fundamental values of public sector entity, ensuring managers and employees to conduct the activities transparently, fairly and honestly and with fairness and integrity. officials Elected and appointed at all levels of the public sector should support audit activities by establishing effective audit functions, independent and meet all the key elements.

Since the HEI in Portugal are generally large organizations, the audit function can prove to be a powerful tool to support and prevention in the exercise of governance of these institutions.

Finally, the step forward is to have a clear definition of responsibility and acceptance by everyone involved, and high standards of efficiency and integrity are expected of them. Continually arise expectations about the organizational environment and the corresponding response is expected by all stakeholders, directors and auditors.

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Notes

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