

ADMINISTRATIVE LAW

UNIT – V
Public Undertakings
Corruption Control & Ombudsman

PSUs • Maladministration • Lokpal • CVC • Commissions of Inquiry

UNIT-V Full Coverage

1. Public Corporations – Meaning

2. Reasons for Public Undertakings

3. Control of Statutory Corporations

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Meaning and Reasons

A public corporation is a body corporate created by a statute to carry on a particular public utility or commercial activity. It has separate legal personality, greater autonomy than a government department, yet remains publicly owned and controlled.

Reasons

Efficiency, flexibility, specialised management, commercial discipline, political insulation.

Examples

LIC, ONGC, FCI, nationalised banks, State Electricity Boards (earlier).

Features

Created by statute, legal personality, public purpose, government ownership/control.

Vs Department

More autonomy; less day-to-day ministerial interference; own funds and employees.

Three Channels

Parliamentary Control

Questions, debates, committees (COPUs, PAC), laying of reports and accounts.

Governmental Control

Appointment of directors, issue of directions, approval of budgets and major policies.

Judicial Control

Writs if public duty is involved; company law remedies; contractual and tort liability.

Audit

CAG audit in many cases; ensures financial accountability.

Problem

Balance between autonomy for efficiency and accountability to Parliament and public.

Exam Tip

Always discuss the tension between autonomy and control.

Corruption & Maladministration

Corruption

Abuse of public office for private gain – bribery, nepotism, favouritism, embezzlement.

Maladministration

Inefficiency, delay, negligence, arrogance, failure to follow rules – broader than corruption.

Impact

Erodes rule of law, public trust, development and equality.

Causes

Discretion without accountability, low transparency, weak enforcement, political interference.

Control Need

Multiple institutions – CVC, CBI, Lokpal, courts, media, RTI.

Exam Tip

Distinguish corruption (dishonest) from maladministration (inefficient / unfair).

Concept

Ombudsman is an independent high-level official who investigates complaints of citizens against maladministration by public authorities. The institution originated in Sweden and has been adopted in many countries including India (Lokpal / Lokayukta).

Features

Independence, accessibility, informal procedure, recommendatory powers, focus on maladministration.

Advantages

Cheap, quick, citizen-friendly, can look beyond strict legality into fairness.

Limits

Usually recommendatory; depends on political will for implementation.

Indian Adaptation

Lokpal at Centre, Lokayuktas in States – statutory bodies with varying powers.

Indian Ombudsman

Lokpal

Central institution under the Lokpal and Lokayuktas Act. Inquires into allegations of corruption against public servants including high functionaries.

Composition

Chairperson + members (judicial and non-judicial). Appointment through a high-powered committee.

Jurisdiction

Covers PM (with safeguards), Ministers, MPs, central public servants, and certain others.

Lokayukta

State-level counterparts. Structure and powers vary from State to State.

Powers

Inquiry, investigation (through agencies), recommendation of prosecution / departmental action.

Challenges

Appointments, resources, political will, overlap with other agencies.

Institutional Framework

Central Vigilance Commission

Apex vigilance body – superintendence over CBI in corruption cases, advisory role to government on vigilance.

CBI

Investigating agency for serious corruption and other notified offences.

Parliamentary Committees

PAC, COPU, Estimates Committee, Departmentally Related Standing Committees – financial and policy oversight.

Commission of Inquiry

Appointed under the Commissions of Inquiry Act to inquire into definite matters of public importance. Recommendatory.

RTI

Transparency tool that empowers citizens and reduces information asymmetry.

Judiciary

Writs, criminal prosecution, constitutional tort – ultimate backstop.

Commissions of Inquiry Act

Purpose

Inquire into any definite matter of public importance and report to the Government.

Nature

Fact-finding. Not a court. Recommendations are not binding.

Powers

Summon witnesses, take evidence, require production of documents – similar to civil court for certain purposes.

Use

Scams, communal riots, major accidents, policy failures – appointed when public confidence needs restoration.

Criticism

Often used for delay; reports may be shelved; no direct enforcement.

Exam Tip

Distinguish from courts and from Lokpal – recommendatory fact-finding body.

UNIT-V

01 Public Corporations

Autonomy + accountability tension. Controlled by Parliament, Government and Courts.

02 Deviance

Corruption and maladministration – different but overlapping problems.

03 Ombudsman

Independent investigator of maladministration – Lokpal / Lokayukta in India.

04 CVC

Apex vigilance institution; supervisory role over CBI in corruption cases.

05 Parliamentary Committees

Important non-judicial accountability mechanism.

06 Commission of Inquiry

Fact-finding; recommendatory; used for matters of public importance.

End of UNIT – V

Public Undertakings • Ombudsman • Vigilance Institutions

Administrative Law Series Completed