Administrative Reforms Commission's 4th Report titled
'Ethics in Governance'

Details of the Government's decisions on the recommendations
and 'Action taken' thereon

S. No.	Recommendations made by Administrative Reforms Commission	Government's Decision
1.	**1. (2.1.3.1.6) Reform of Political Funding** (a) A system for partial state funding should be introduced in order to reduce the scope of illegitimate and unnecessary funding of expenditure for elections. **(1)**	(a) All the matters related to electoral reforms or legislative issues are being addressed in a comprehensive manner in various other fora. Hence, it is decided that Govt. need not take any decision in this regard.
2.	**2. (2.1.3.2.4) Tightening of Anti-Defection Law** (a) The issue of disqualification of members on grounds of defection should be decided by the President/Governor on the advice of the Election Commission.**(2)**	(a) All the matters related to electoral reforms or legislative issues are being addressed in a comprehensive manner in various other fora. Hence, it is decided that Govt. need not take any decision in this regard.
3.	**3. (2.1.3.3.2) Disqualification** (a) Section 8 of the Representation of the People Act, 1951 needs to be amended to disqualify all persons facing charges related to grave and heinous offences and corruption, with the modification suggested by the Election Commission.**(3)**	(a) All the matters related to electoral reforms or legislative issues are being addressed in a comprehensive manner in various other fora. Hence, it is decided that Govt. need not take any decision in this regard.
4.	**4. (2.1.4.3) Coalition and Ethics** (a) The Constitution should be amended to ensure that if one or more parties in a coalition with a common programme mandated by the electorate either explicitly before the elections or implicitly while forming the government, realign midstream with one or more parties outside the coalition, then Members of that party or parties shall have to seek a fresh mandate from the electorate.**(4)**	(a) All the matters related to electoral reforms or legislative issues are being addressed in a comprehensive manner in various other fora. Hence, it is decided that Govt. need not take any decision in this regard.
5.	**5. (2.1.5.4) Appointment of the Chief Election Commissioner/ Commissioners** (a) A collegium headed by the Prime Minister with the Speaker of the Lok Sabha, the Leader of Opposition in the Lok Sabha, the Law Minister and the Deputy Chairman of the Rajya Sabha as members; should make recommendations for the consideration of the President for appointment of the Chief Election Commissioner and the Election	(a) All the matters related to electoral reforms or legislative issues are being addressed in a comprehensive manner in various other fora. Hence, it is decided that Govt. need not take any decision in this regard.

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	Commissioners.**(5)**	
6.	**6. (2.1.6.3) Expediting Disposal of Election Petitions** (a) Special Election Tribunals should be constituted at the regional level under Article 323B of the Constitution to ensure speedy disposal of election petitions and disputes within a stipulated period of six months. Each Tribunal should comprise a High Court Judge and a senior civil servant with at least 5 years of experience in the conduct of elections (not below the rank of an Additional Secretary to Government of India/Principal Secretary of a State Government). Its mandate should be to ensure that all election petitions are decided within a period of six months as provided by law. The Tribunals should normally be set up for a term of one year only, extendable for a period of 6 months in exceptional circumstances.**(6)**	(a) Not accepted. Setting up of tribunals may only cause delay as writ jurisdiction of High Courts and the Supreme Court is entrenched.
7.	**7. (2.1.7.3) Grounds of Disqualification for Membership** (a) Appropriate legislation may be enacted under Article 102(e) of the Constitution spelling out the conditions for disqualification of Membership of Parliament in an exhaustive manner. Similarly, the States may also legislate under Article 198(e).**(7)**	(a) All the matters related to electoral reforms or legislative issues are being addressed in a comprehensive manner in various other fora. Hence, it is decided that Govt. need not take any decision in this regard.
8. 9. 10.	**8. (2.4.5) Ethical Frame-work for Ministers** (a) In addition to the existing Code of Conduct for Ministers, there should be a Code of Ethics to provide guidance on how Ministers should uphold the highest standards of constitutional and ethical conduct in the performance of their duties.**(8)** (b) Dedicated units should be set up in the offices of the Prime Minister and the Chief Ministers to monitor the observance of the Code of Ethics and the Code of Conduct. The unit should also be empowered to receive public complaints regarding violation of the Code of Conduct.**(9)** (c) The Prime Minister or the Chief Minister should be duty bound to ensure the observance of the Code of Ethics and the Code of Conduct by Ministers. This would be applicable even in the case of coalition governments where the Ministers may belong to different parties.**(10)**	(a) to (f) Not accepted. The recommendation of the ARC to prepare a Code of Ethics for Ministers has been considered by the Empowered Committee constituted for this purpose and it has been decided that the 'Code of Ethics' is not considered necessary in the context of the existence of the Code of Conduct. The Code of Ethics would only be duplication and may not serve any purpose.

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11. 12. 13.	(d) An annual report with regard to the observance of these Codes should be submitted to the appropriate legislature. This report should include specific cases of violations, if any, and the action taken thereon.**(11)** (e) The Code of Ethics should inter alia include broad principles of the Minister-civil servant relationship and the Code of Conduct should stipulate the details as illustrated in para 2.4.3.**(12)** (f) The Code of Ethics, the Code of Conduct and the annual report should be put in the public domain.**(13)**	
  14. 15.	**9. (2.5.7.6) Enforcement of ethical norms in Legislatures** (a) An Office of 'Ethics Commissioner' may be constituted by each House of Parliament. This Office, functioning under the Speaker/ Chairman, would assist the Committee on Ethics in the discharge of its functions, and advise Members, when required, and maintain necessary records.**(14)** (b) In respect of states, the Commission recommends the following: (i) All State legislatures may adopt a Code of Ethics and a Code of Conduct for their Members. (ii) Ethics Committees may be constituted with well defined procedures for sanctions in case of transgressions, to ensure the ethical conduct of legislators. (iii) 'Registers of Members' Interests' may be maintained with the declaration of interests by Members of the State legislatures. (iv) Annual Reports providing details including transgressions may be placed on the Table of the respective Houses. (v) An Office of 'Ethics Commissioner' may be constituted by each House of the State legislatures. This Office would function under the Speaker/Chairman, on the same basis as suggested for Parliament**(15)**	 (a) & (b) All the matters related to electoral reforms or legislative issues are being addressed in a comprehensive manner in various other fora. Hence, it is decided that Govt. need not take any decision in this regard.
 16.	**10. (2.6.12) Office of Profit** (a) The Law should be amended to define office of profit based on the following principles: (i) All offices in purely advisory bodies where the experience, insights and expertise of a	 (a) to (c): All the matters related to electoral reforms or legislative issues are being addressed in a comprehensive manner in various other fora. Hence, it is decided

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	legislator would be inputs in governmental policy, shall not be treated as offices of profit, irrespective of the remuneration and perks associated with such an office. (ii) All offices involving executive decision making and control of public funds, including positions on the governing boards of public undertakings and statutory and non-statutory authorities directly deciding policy or managing institutions or authorizing or approving expenditure shall be treated as offices of profit, and no legislator shall hold such offices. (iii) If a serving Minister, by virtue of office, is a member or head of certain organizations like the Planning Commission, where close coordination and integration between the Council of Ministers and the organization or authority or committee is vital for the day-today functioning of government, it shall not be treated as office of profit. (The use of discretionary funds at the disposal of legislators, the power to determine specific projects and schemes, or select the beneficiaries or authorize expenditure shall constitute discharge of executive functions and will invite disqualification under Articles 102 and 191, irrespective of whether or not a new office is notified and held.)**(16)**	that Govt. need not take any decision in this regard.
17.	(b) Schemes such as MPLADS and MLALADS should be abolished.**(17)**	
18.	(c) Members of Parliament and Members of State Legislatures should be declared as 'Public Authorities' under the Right to Information Act, except when they are discharging legislative functions.**(18)**	
	11. (2.7.12) Code of Ethics for Civil Servants	
19.	(a) 'Public Service Values' towards which all public servants should aspire, should be defined and made applicable to all tiers of Government and parastatal organizations. Any transgression of these values should be treated as misconduct, inviting punishment. **(19)**	(a) Accepted
20.	(b) Conflict of interests should be comprehensively covered in the code of ethics and in the code of conduct for officers. Also, serving officials should not be nominated on	(b) Partially accepted. As serving officials provide an important linkage between the Government and PSUs, it may not be appropriate to accept the recommendation

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	the Boards of Public undertakings. This will, however, not apply to non-profit public institutions and advisory bodies.**(20)**	about not nominating serving officials on the Board of Public Undertakings. However, conflicts of interest can be effectively handled by further strengthening the Conduct Rules. The guidelines on corporate governance of Public Sector Undertakings issued recently also take note of this concern.
21.	**12. (2.8.5) Code of Ethics for Regulators** (a) A comprehensive and enforceable code of conduct should be prescribed for all professions with statutory backing.**(21)**	(a) Accepted.
22.	**13. (2.9.23) Ethical Frame-work for the Judiciary** (a) A National Judicial Council should be constituted, in line with universally accepted principles where the appointment of members of the judiciary should be by a collegium having representation of the executive, legislature and judiciary. The Council should have the following composition: • The Vice-President as Chairperson of the Council • The Prime Minister • The Speaker of the Lok Sabha • The Chief Justice of India • The Law Minister • The Leader of the Opposition in the Lok Sabha • The Leader of the Opposition in the Rajya Sabha In matters relating to the appointment and oversight of High Court Judges, the Council will also include the following members: • The Chief Minister of the concerned State • The Chief Justice of the concerned High Court **(22)**	(a) Accepted in principle, other than the composition suggested by ARC.
23.	(b) The National Judicial Council should be authorized to lay down the code of conduct for judges, including the subordinate judiciary.**(23)**	(b) Accepted
24.	(c) The National Judicial Council should be entrusted with the task of recommending appointments of Supreme Court and High Court Judges. It should also be entrusted the task of oversight of the judges, and should be empowered to enquire into alleged misconduct and impose minor penalties. It can also recommend removal of a judge if so warranted.**(24)**	(c) Recommendation regarding entrusting the task of recommending appointments of Supreme Court and High Court judges to the National Judicial Council is not acceptable. However, the suggestion regarding entrusting the task of oversight of the judges to National Judicial Council is agreed to.

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25.	(d) Based on the recommendations of the NJC, the President should have the powers to remove a Supreme Court or High Court Judge.**(25)**	(d) Not accepted
26.	(e) Article 124 of the Constitution may be amended to provide for the National Judicial Council. A similar change will have to be made to Article 217. Also, since the Council is to have the authority to oversee and discipline judges, further changes will need to be made to Article 217 (Clause 4).**(26)**	(e) Not accepted. Amendment of constitution is not required. Provision can be made in the Judges Inquiry Bill, 2006.
27.	(f) A Judge of the Supreme Court should be designated as the Judicial Values Commissioner. He/she should be assigned the task of enforcing the code of conduct. Similar arrangement should also be made in the High Court.**(27)**	(f) Accepted
	14. (3.2.1.10) Defining Corruption	
28.	(a) The following should be classified as offences under the Prevention of Corruption Act: • Gross perversion of the Constitution and democratic institutions amounting to willful violation of oath of office. • Abuse of authority unduly favouring or harming someone. • Obstruction of justice. • Squandering public money.**(28)**	(a) Not accepted
	15. (3.2.2.7) Collusive Bribery	
29.	(a) Section 7 of the Prevention of Corruption Act needs to be amended to provide for a special offence of 'collusive bribery'. An Offence could be classified as 'collusive bribery' if the outcome or intended outcome of the transaction leads to a loss to the state, public or public interest;**(29)**	(a) to (c) Not accepted. It may not be feasible to attribute *mens rea* at the time of taking decision/action for subsequent loss to the State, public and public interest. Possibility of loss in commercial decisions in particular may not always be attributable to only the decision/action in the past due to changing commercial environment.
30.	(b) In all such cases if it is established that the interest of the state or public has suffered because of an act of a public servant, then the court shall presume that the public servant and the beneficiary of the decision committed an offence of 'collusive bribery';**(30)**	
31.	(c) The punishment for all such cases of collusive bribery should be double that of other cases of bribery. The law may be suitably amended in this regard.**(31)**	
	16. (3.2.3.2) Sanction for Prosecution	
32.	a) Prior sanction should not be necessary for	(a) Not accepted. Prior sanction would be

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	prosecuting a public servant who has been trapped red-handed or in cases of possessing assets disproportionate to the known sources of income.**(32)**	necessary for prosecuting a public servant who has been trapped red-handed or in cases of possessing assets disproportionate to the known sources of income. However, in cases of entrapment, sanction for prosecution should be given at the earliest, and in no case it should be more than 3 months from the date on which the prosecution sanction is sought.
33.	(b) The Prevention of Corruption Act should be amended to ensure that sanctioning authorities are not summoned and instead the documents can be obtained and produced before the courts by the appropriate authority.**(33)**	(b) Accepted
34.	(c) The Presiding Officer of a House of Legislature should be designated as the sanctioning authority for MPs and MLAs respectively.**(34)**	(c) All the matters related to electoral reforms or legislative issues are being addressed in a comprehensive manner in various other fora. Hence, it is decided that Govt. need not take any decision in this regard.
35.	(d) The requirement of prior sanction for prosecution now applicable to serving public servants should also apply to retired public servants for acts performed while in service.**(35)**	(d) Accepted
36.	(e) In all cases where the Government of India is empowered to grant sanction for prosecution, this power should be delegated to an Empowered Committee comprising the Central Vigilance Commissioner and the Departmental Secretary to Government. In case of a difference of opinion between the two, the matter could be resolved by placing it before the full Central Vigilance Commission. In case, sanction is required against a Secretary to Government, then the Empowered Committee would comprise of Cabinet Secretary and the Central Vigilance Commissioner. Similar arrangements may also be made at the State level. In all cases the order granting sanction for prosecution or otherwise shall be issued within two months. In case of refusal, the reasons for refusal should be placed before the respective legislature annually. **(36)**	(e) Not accepted. Keeping in view the objective to extend prior protection to honest civil servants, the power to accord sanction may continue as per the present provision with the authority competent to remove him, as they will have the holistic perspective of acts of omission/ commission of public servants.
	17. (3.2.4.3) Liability of Corrupt Public Servants to Pay Damages	

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37.	(a) In addition to the penalty in criminal cases the law should provide that public servants who cause loss to the state or citizens by their corrupt acts should be made liable to make good the loss caused and, in addition, be liable for damages. This could be done by inserting a chapter in the Prevention of Corruption Act.**(37)**	(a) CGAR may examine the matter in greater detail, keeping in view the recent amendments to the Prevention of Corruption Act.
	18. (3.2.5.6) Speeding up Trials under the Prevention of Corruption Act:	
38.	(a) A legal provision needs to be introduced fixing a time limit for various stages of trial. This could be done by amendments to the CrPC. **(38)**	(a) Not Accepted.
39.	(b) Steps have to be taken to ensure that judges declared as Special Judges under the provisions of the Prevention of Corruption Act give primary attention to disposal of cases under the Act. Only if there is inadequate work under the Act, should the Special Judges be entrusted with other responsibilities.**(39)**	(b) to (d) Accepted.
40.	(c) It has to be ensured that the proceedings of courts trying cases under the Prevention of Corruption Act are held on a day-to-day basis, and no deviation is permitted.**(40)**	
41.	(d) The Supreme Court and the High Courts may lay down guidelines to preclude unwarranted adjournments and avoidable delays.**(41)**	
	19. (3.3.7) Corruption Involving the Private Sector	
42.	(a) The Prevention of Corruption Act should be suitably amended to include in its purview private sector providers of public utility services.**(42)**	(a) & (b) CGAR may examine these recommendations in greater depth.
43.	(b) Non-Governmental agencies, which receive substantial funding, should be covered under the Prevention of Corruption Act. Norms should be laid down that any institution or body that has received more than 50% of its annual operating costs, or a sum equal to or greater than Rs 1 crore during any of the preceding 3 years should be deemed to have obtained 'substantial funding' for that period and purpose of such funding.**(43)**	

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44.	**20. (3.4.10) Confiscation of Properties Illegally Acquired by Corrupt Means.** (a) The Corrupt Public Servants (Forfeiture of Property) Bill as suggested by the Law Commission should be enacted without further delay.**(44)**	(a) Accepted
45.	**21. (3.5.4) Prohibition of 'Benami' Transactions** (a) Steps should be taken for immediate implementation of the Benami Transactions (Prohibition) Act 1988.**(45)**	(a) Accepted.
46.	**22. (3.6.4) Protection to Whistle-blowers** (a) Legislation should be enacted immediately to provide protection to whistleblowers on the following lines proposed by the Law Commission: • Whistleblowers exposing false claims, fraud or corruption should be protected by ensuring confidentiality and anonymity, protection from victimization in career, and other administrative measures to prevent bodily harm and harassment. • The legislation should cover corporate whistle-blowers unearthing fraud or serious damage to public interest by willful acts of omission or commission. • Acts of harassment or victimization of or retaliation against, a whistleblower should be criminal offences with substantial penalty and sentence.**(46)**	(a) Accepted.
47. 48.	**23. (3.7.19) Serious Economic Offences** (a) A new law on 'Serious Economic Offences' should be enacted.**(47)** (b) A Serious Economic Offence may be defined as : (i) One which involves a sum exceeding Rs 10 crores; or (ii) is likely to give rise to widespread public concern; or (iii) its investigation and prosecution are likely to require highly specialized knowledge of the financial market or of the behaviour of banks or other financial institutions; or (iv) involves significant international dimensions; or (v) in the investigation of which there is requirement of legal, financial, investment and investigative skills to be brought together; or	(a) to (f): Accepted.

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	(vi) which appear to be complex to the Union Government, regulators, banks, or any financial institution.**(48)**	
49.	(c) A Serious Frauds Office (SFO) should be set up (under the new law), to investigate and prosecute such offences. It should be attached to the Cabinet Secretariat. This office shall have powers to investigate and prosecute all such cases in Special Courts constituted for this purpose. The SFO should be staffed by experts from diverse disciplines such as the financial sector, capital and futures market, commodity markets, accountancy, direct and indirect taxation, forensic audit, investigation, criminal and company law and information technology. The SFO should have all powers of investigation as stated in the recommendation of the Mitra Committee. The existing SFIO should be subsumed in this.**(49)**	
50.	(d) A Serious Frauds Monitoring Committee should be constituted to oversee the investigation and prosecution of such offences. This Committee, to be headed by the Cabinet Secretary, should have the Chief Vigilance Commissioner, Home Secretary, Finance Secretary, Secretary Banking/ Financial Sector, a Deputy Governor, RBI, Secretary, Department of Company Affairs, Law Secretary, Chairman SEBI etc as members.**(50)**	
51.	(e) In case of involvement of any public functionary in a serious fraud, the SFO shall send a report to the Rashtriya Lokayukta and shall follow the directions given by the Rashtriya Lokayukta (see para 4.3.15).**(51)**	
52.	(f) In all cases of serious frauds the Court shall presume the existence of mens rea of the accused, and the burden of proof regarding its non-existence, shall lie on the accused.**(52)**	
53.	**24. (3.8.5) Prior Concurrence for Registration of Cases: Section 6A of the Delhi Special Police Establishment Act, 1946** (a) Permission to take up investigations under the present statutory arrangement should be given by the Central Vigilance Commissioner in consultation with the concerned Secretary. In case of investigation against a Secretary to Government, the permission should be given by a Committee comprising the Cabinet Secretary and the Central Vigilance	(a) Not accepted. Existing provisions are adequate as only the Central Government can have a precise understanding of the intricate issues involved in decision making.

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	Commissioner. This would require an amendment to the Delhi Special Police Establishment Act. In the interim the powers of the Union Government may be delegated to the Central Vigilance Commissioner, to be exercised in the manner stated above. A time limit of 30 days may be prescribed for processing this permission.**(53)**	
	25. (3.9.4) Immunity Enjoyed by Legislators	
54.	(a) The Commission, while endorsing the suggestion of the National Commission to Review the Working of the Constitution, recommends that suitable amendments be effected to Article 105(2) of the Constitution to provide that the immunity enjoyed by Members of Parliament does not cover corrupt acts committed by them in connection with their duties in the House or otherwise.**(54)**	(a) & (b) Not accepted.
55.	(b) The Commission also recommends that similar amendments may be made in Article 194(2) of the Constitution in respect of members of the state legislatures.**(55)**	
	26. (3.10.24) Constitutional Protection to Civil Servants – Article 311	
56.	(a) Article 311 of the Constitution should be repealed.**(56)**	(a) to (d): Not accepted.
57.	(b) Simultaneously Article 310 of the Constitution should also be repealed.**(57)**	
58.	(c) Suitable legislation to provide for all necessary terms and conditions of services should be provided under Article 309, to protect the bona fide action of public servants taken in public interest; this should be made applicable to the States.**(58)**	
59.	(d) Necessary protection to public servants against arbitrary action should be provided through such legislation under Article 309.**(59)**	
	27. (4.3.15) The Lok Pal	
60.	(a) The Constitution should be amended to provide for a national ombudsman to be called the Rashtriya Lokayukta. The role and jurisdiction of the Rashtriya Lokayukta should be defined in the Constitution while the composition, mode of appointment and other details can be decided by Parliament through legislation.**(60)**	(a) to (f): Issues relating to Lok Pal Bill are being addressed independently in a comprehensive manner. Hence, it is decided that Govt. need not take any decision in this regard.

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61.	(b) The jurisdiction of Rashtriya Lokayukta should extend to all Ministers of the Union (except the Prime Minister), all state Chief Ministers, all persons holding public office equivalent in rank to a Union Minister, and Members of Parliament. In case the enquiry against a public functionary establishes the involvement of any other public official along with the public functionary, the Rashtriya Lokayukta would have the power to enquire against such public servant(s) also. **(61)**	
62.	(c) The Prime Minister should be kept out of the jurisdiction of the Rashtriya Lokayukta for the reasons stated in paras 4.3.7 to 4.3.11.**(62)**	
63.	(d) The Rashtriya Lokayukta should consist of a serving or retired Judge of the Supreme Court as the Chairperson, an eminent jurist as Member and the Central Vigilance Commissioner as the ex-officio Member. **(63)**	
64.	(e) The Chairperson of the Rashtriya Lokayukta should be selected from a panel of sitting Judges of the Supreme Court who have more than three years of service, by a Committee consisting of the Vice President of India, the Prime Minister, the Leader of the Opposition, the Speaker of the Lok Sabha and the Chief Justice of India. In case it is not possible to appoint a sitting Judge, the Committee may appoint a retired Supreme Court Judge. The same Committee may select the Member (i.e. an eminent jurist) of the Rashtriya Lokayukta. The Chairperson and Member of the Rashtriya Lokayukta should be appointed for only one term of three years and they should not hold any public office under government thereafter, the only exception being that they can become the Chief Justice of India, if their services are so required.**(64)**	
65.	(f) The Rashtriya Lokayukta should also be entrusted with the task of undertaking a national campaign for raising the standards of ethics in public life. **(65)**	
	28. (4.4.9) The Loka-yukta :	
66.	(a) The Constitution should be amended to incorporate a provision making it obligatory on the part of State Governments to establish the institution of Lokayukta and stipulate the general principles about its structure, power	(a) to (i): Accepted.

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	and functions.**(66)**	
67.	(b) The Lokayukta should be a multi-member body consisting of a judicial Member in the Chair, an eminent jurist or eminent administrator with impeccable credentials as Member and the head of the State Vigilance Commission {as referred in para 4.4.9(e) below} as ex-officio Member. The Chairperson of the Lokayukta should be selected from a panel of retired Supreme Court Judges or retired Chief Justices of High Court, by a Committee consisting of the Chief Minister, Chief Justice of the High Court and the Leader of the Opposition in the Legislative Assembly. The same Committee should select the second member from among eminent jurists/administrators. There is no need to have an Up-Lokayukta.**(67)**	
68.	(c) The jurisdiction of the Lokayukta would extend to only cases involving corruption. They should not look into general public grievances.**(68)**	
69.	(d)The Lokayukta should deal with cases of corruption against Ministers and MLAs.**(69)**	
70.	(e) Each State should constitute a State Vigilance Commission to look into cases of corruption against State Government officials. The Commission should have three Members and have functions similar to that of the Central Vigilance Commission.**(70)**	
71.	(f) The Anti Corruption Bureaus should be brought under the control of the State Vigilance Commission.**(71)**	
72.	(g) The Chairperson and Members of the Lokayukta should be appointed strictly for one term only and they should not hold any public office under government thereafter.**(72)**	
73.	(h) The Lokayukta should have its own machinery for investigation. Initially, it may take officers on deputation from the State Government, but over a period of five years, it should take steps to recruit its own cadre, and train them properly.**(73)**	
74.	(i) All cases of corruption should be referred to Rashtriya Lokayukta or Lokayukta and these should not be referred to any Commission of Inquiry.**(74)**	

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	29. (4.5.6) Ombudsman at the Local Levels	
75.	(a) A local bodies Ombudsman should be constituted for a group of districts to investigate cases against the functionaries of the local bodies. The State Panchayat Raj Acts and the Urban Local Bodies Act should be amended to include this provision. **(75)**	(a) & (b): Accepted.
76.	(b) The local bodies Ombudsman should be empowered to investigate cases of corruption or maladministration by the functionaries of the local self governments, and submit reports to the competent authorities for taking action. The competent authorities should normally take action as recommended. In case they do not agree with the recommendations, they should give their reasons in writing and the reasons should be made public. **(76)**	
	30. (4.6.6) Strengthening Investigation and Prosecution	
77.	(a) The State Vigilance Commissions/Lokayuktas may be empowered to supervise the prosecution of corruption related cases. **(77)**	(a) to (h): Accepted.
78.	(b) The investigative agencies should acquire multi-disciplinary skills and should be thoroughly conversant with the working of various offices/ departments. They should draw officials from different wings of government. **(78)**	
79.	(c) Modern techniques of investigation should also be deployed like electronic surveillance, video and audio recording of surprise inspections, traps, searches and seizures. **(79)**	
80.	(d) A reasonable time limit for investigation of different types of cases should be fixed for the investigative agencies. **(80)**	
81.	(e) There should be sustained step-up in the number of cases detected and investigated. The priorities need to be reoriented by focusing on 'big' cases of corruption. **(81)**	
82.	(f) The prosecution of corruption cases should be conducted by a panel of lawyers prepared by the Attorney General or the Advocate General in consultation with Rashtriya Lokayukta or Lokayukta as the case may be. **(82)**	
83.	(g) The anti-corruption agencies should conduct systematic surveys of departments with particular reference to highly corruption	

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  84.	prone ones in order to gather intelligence and to target officers of questionable integrity. **(83)** (h) The economic offences unit of states needs to be strengthened to effectively investigate cases and there should be better coordination amongst existing agencies. **(84)**	
 85. 86. 87. 88.	**31. (5.1.12) Citizens' Initiatives** (a) Citizens' Charters should be made effective by stipulating the service levels and also the remedy if these service levels are not met.**(85)** (b) Citizens may be involved in the assessment and maintenance of ethics in important government institutions and offices. **(86)** (c) Reward schemes should be introduced to incentivise citizen's initiatives.**(87)** (d) School awareness programmes should be introduced, highlighting the importance of ethics and how corruption can be combated.**(88)**	 (a) to (d): Accepted
 89.	**32. (5.2.5) False Claims Act** (a) Legislation on the lines of the US False Claims Act should be enacted, providing for citizens and civil society groups to seek legal relief against fraudulent claims against the government. This law should have the following elements: (i) Any citizen should be able to bring a suit against any person or agency for a false claim against the government. (ii) If the false claim is established in a court of law, then the person/agency responsible shall be liable for penalty equal to five times the loss sustained by the exchequer or society. (iii) The loss sustained could be monetary or non-monetary as in the form of pollution or other social costs. In case of non-monetary loss, the court would have the authority to compute the loss in monetary terms. (iv) The person who brought the suit shall be suitably compensated out of the damages recovered. **(89)**	 (a) : Accepted.
 90.	**33. (5.3.5) Role of Media** (a) It is necessary to evolve norms and practices requiring proper screening of all allegations/ complaints by the media, and taking action to put them in the public domain.**(90)**	 (a) : Accepted.

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91.	(b) The electronic media should evolve a Code of Conduct and a self regulating mechanism in order to adhere to a Code of Conduct as a safeguard against malafide action. **(91)**	(b) Accepted.
92.	(c) Government agencies can help the media in the fight against corruption by disclosing details about corruption cases regularly.**(92)**	(c) Accepted.
	34. (5.4.2) Social Audit	
93.	(a) Operational guidelines of all developmental schemes and citizen centric programmes should provide for a social audit mechanism. **(93)**	(a) Accepted
	35. (6.2.5) Promoting Competition	
94.	(a) Every Ministry/Department may undertake an immediate exercise to identify areas where the existing 'monopoly of functions' can be tempered with competition. A similar exercise may be done at the level of State Governments and local bodies. This exercise may be carried out in a time bound manner, say in one year, and a road map laid down to reduce 'monopoly' of functions. The approach should be to introduce competition along with a mechanism for regulation to ensure performance as perprescribed standards so that public interest is not compromised. **(94)**	(a) to (c) Accepted
95.	(b) Some Centrally Sponsored schemes could be restructured so as to provide incentives to States that take steps to promote competition in service delivery. **(95)**	
96.	(c) All new national policies on subjects having large public interface (and amendments to existing policies on such subjects) should invariably address the issue of engendering competition. **(96)**	
	36. (6.3.5) Simplifying Trans-actions	
97.	(a) There is need to bring simplification of methods to the center-stage of administrative reforms. Leaving aside specific sectoral requirements, the broad principles of such reforms must be: adoption of 'single window' approach, minimizing hierarchical tiers, stipulating time limits for disposal etc. **(97)**	(a) to (d) Accepted. As regards, recommendation at (d), time limits for processing of identified permissions/ licenses have to be worked out realistically.
98.	(b) The existing Departmental Manuals and Codes should be thoroughly reviewed and simplified with a responsibility on the Head of	

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	the Department to periodically update such documents and make available soft-copies on-line and hard copies for sale. These manuals must be written in very precise terms, and phrases like 'left to the discretion of', 'as far as possible', 'suitable decision may be taken' etc should be avoided. This should be followed for all rules and regulations governing issue of permissions, licenses etc. **(98)**	
99.	(c) A system of rewards and incentives for simplification and streamlining of procedures may be introduced in each government organization. **(99)**	
100.	(d) The principle of 'positive silence' should generally be used, though this principle cannot be used in all cases. Wherever permissions/licenses etc are to be issued, there should be a time limit for processing of the same after which permission, if not already given, should be deemed to have been granted. However, the rules should provide that for each such case the official responsible for the delay must be proceeded against. **(100)**	
	37. (6.4.7) Using Information Technology	
101.	(a) Each Ministry/Department/ Organization of Government should draw up a plan for use of IT to improve governance. In any government process, use of Information Technology should be made only after the existing procedures have been thoroughly re-engineered. **(101)**	(a): Partially accepted. The process reengineering should be part of the project design of any e governance initiative rather than a condition preceding it.
102.	(b) The Ministry of Information and Technology needs to identify certain governmental processes and then take up a project of their computerization on a nationwide scale. **(102)**	(b) & (c) : Accepted
103.	(c) For computerization to be successful, computer knowledge of departmental officers needs to be upgraded. Similarly, the NIC needs to be trained in department specific activities, so that they could appreciate each other's view point and also ensure that technology providers understand the anatomy of each department. **(103)**	
	38. (6.6.4) Integrity Pacts	
104.	(a) The Commission recommends encouragement of the mechanism of 'integrity	(a): Accepted.

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	pacts'. The Ministry of Finance may constitute a Task Force with representatives from Ministries of Law and Personnel to identify the type of transactions requiring such pacts and to provide for a protocol for entering into such a pact. The Task Force may, in particular, recommend whether any amendment in the existing legal framework like the Indian Contract Act, and the Prevention of Corruption Act is required to make such agreements enforceable. **(104)**	
	39. (6.7.3) Reducing discretion	
105.	(a) All government offices having public interface should undertake a review of their activities and list out those which involve use of discretion. In all such activities, attempt should be made to eliminate discretion. Where it is not possible to do so, well-defined regulations should attempt to 'bound' the discretion. Ministries and Departments should be asked to coordinate this task in their organizations/offices and complete it within one year. **(105)**	(a): Accepted.
106.	(b) Decision-making on important matters should be assigned to a committee rather than individuals. Care has to be exercised, however, that this practice is not resorted to when prompt decisions are required. **(106)**	(b) Not accepted. The system of Committees is prevalent for advising on major policies. However, Committees are only recommendatory bodies; decisions are taken by competent authorities. Decision making by the Committee can lead to dilution of accountability.
107.	(c) State Governments should take steps on similar lines, especially in local bodies and authorities, which have maximum 'public contact'. **(107)**	(c): Accepted
	40. (6.8.7) Supervision	
108.	(a) The supervisory role of officers needs be re-emphasised. It bears reiteration that supervisory officers are primarily responsible for curbing corruption among their subordinates, and they should take all preventive measures for this purpose.**(108)**	(a) Not accepted. Provisions already exist under CCS (Conduct) Rules. It is, therefore, not necessary to bring about any changes or make any addition to the existing provisions of rule 3 of the said rules.
109.	(b) Each supervisory officer should carefully analyze the activities in his/her organization/office, identify the activities which are vulnerable to corruption and then build up suitable preventive and vigilance measures. All major instances of loss caused to	(b): Accepted.

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	the government or to the public, by officials by their acts of omission or commission should be enquired into and responsibility fixed on the erring officer within a time-frame.**(109)**	
110.	(c) In the Annual Performance Report of each officer, there should be a column where the officer should indicate the measures he took to control corruption in his office and among subordinates. The reporting officer should then give his specific comments on this.**(110)**	(c) & (d): Not accepted. There are elaborate instructions for recording adverse entries/filling up integrity columns in the existing ACR formats. As the existing provisions in the ACR already have sufficient scope to reflect the contribution of officers to control the corruption, wherever applicable, there is no need to introduce a further column in the ACR as suggested by the ARC. The PC Act has not made any supervisory officer accountable if the junior officer is booked under the PC Act. No person is liable for any criminal offence unless he has involved himself in such an offence either by himself or as a member in a conspiracy with a common intention to commit such an offence. If the supervisory officer notices any corruptive bent of mind in his subordinate while dealing with public or in his interpersonal relationship, he can make suitable observations in the existing ACR format.
111.	(d) Supervisory officers who give clean certificates to subordinate corrupt officers in their Annual Performance Reports should be asked to explain their position in case the officer reported upon is charged with an offence under the Prevention of Corruption Act. In addition, the fact that they have not recorded adversely about the integrity of their subordinate corrupt officers should be recorded in their reports.**(111)**	
112.	(e) Supervisory officers should ensure that all offices under them pursue a policy of suo motu disclosure of information within the ambit of the Right to Information Act.**(112)**	(e) Accepted.
	41. (6.9.4) Ensuring Accessibility and Responsiveness	
113.	(a) Service providers should converge their activities so that all services are delivered at a common point. Such common service points could also be outsourced to an agency, which may then be given the task of pursuing citizens, requests with concerned agencies. **(113)**	(a) to (c) Accepted
114.	(b) Tasks, which are prone to corruption, should be split up into different activities that can be entrusted to different persons. **(114)**	
115.	(c) Public interaction should be limited to designated officers. A 'single window front office' for provision of information and services to the citizens with a file tracking system	

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	should be set up in all government departments. **(115)**	
116. 117. 118.	**42. (6.10.2) Monitoring Com-plaints** (a) All offices having large public interface should have an online complaint tracking system. If possible, this task of complaint tracking should be outsourced. **(116)** (b) There should be an external, periodic mechanism of 'audit' of complaints in offices having large public interface. **(117)** (c) Apart from enquiring into each complaint and fixing responsibility for the lapses, if any, the complaint should also be used to analyse the systemic deficiencies so that remedial measures are taken. **(118)**	(a) to (c) Accepted
119. 120.	**43. (6.12.7) Risk Management for Preventive vigilance** (a) Risk profiling of jobs needs to be done in a more systematic and institutionlised manner in all government organizations. **(119)** (b) Risk profiling of officers should be done by a committee of 'eminent persons' after the officer has completed ten years of service, and then once in every five years. The committee should use the following inputs in coming to a conclusion: **(120)** (i) The performance evaluation of the reported officer. (ii) A self-assessment given by the reported officer focusing on the efforts he/she has made to prevent corruption in his/her career. (iii) Reports from the vigilance organization. (iv) A peer evaluation to be conducted confidentially by the committee through an evaluation form.	(a) & (b) Accepted
121.	**44. (6.13.2) Audit** (a) It should be prescribed that as soon as any major irregularity is detected or suspected by the audit team, it should be immediately taken note of by government. A suitable mechanism for this may be put in place. It shall be the responsibility of the head of the office to enquire into any such irregularity and initiate	(a) to (c) Accepted

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 122. 123.	action. **(121)** (b) Audit teams should be imparted training in forensic audit. **(122)** (c) Each office should make an annual public statement regarding pending audit queries. **(123)**	
 124.	**45. (6.14.3) Proactive vigilance on corruption** (a) Taking proactive vigilance measures should primarily be the responsibility of the head of the office. Some possible measures are indicated in para (6.14.2). **(124)**	 (a) Accepted
 125.	**46. (6.15.2) Intelligence Gathering** (a) Supervisory officers should assess the integrity of his/her subordinates based on his/her handling of cases, complaints and feedback from different sources. This could then become an important input for risk profiling of officers. **(125)**	 (a) Accepted
 126.	**47. (6.16.2) Vigilance Network** (a) A national database containing the details of all corruption cases at all levels should be created. This database should be in the public domain. Identified authorities should be made responsible for updating the database regularly. **(126)**	 (a) Partially accepted. Database can be created with restricted access only to pending cases. Decided cases can be put on the official website.
 127. 128.	**48. (7.9). Protecting the Honest Civil Servant** (a) Every allegation of corruption received through complaints or from sources cultivated by the investigating agency against a public servant must be examined in depth at the initial stage itself before initiating any enquiry. Every such allegation must be analyzed to assess whether the allegation is specific, whether it is credible and whether it is verifiable. Only when an allegation meets the requirements of these criteria, should it be recommended for verification, and the verification must be taken up after obtaining approval of the competent authority. The levels of competent authorities for authorizing verifications/enquiries must be fixed in the anti-corruption agencies for different levels of suspect officers. **(127)** (b) In matters relating to allegations of corruption, open enquiries should not be taken up straightaway on the basis of complaints/source information. When verification/secret enquiries are approved, it	 (a) to (h) Accepted

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	should be ensured that secrecy of such verifications is maintained and the verifications are done in such a manner that neither the suspect officer nor anybody else comes to know about it. Such secrecy is essential not only to protect the reputation of innocent and honest officials but also to ensure the effectiveness of an open criminal investigation. Such secrecy of verification/ enquiry will ensure that in case the allegations are found to be incorrect, the matter can be closed without anyone having come to know of it. The Inquiry / Verification Officers should be in a position to appreciate the sensitivities involved in handling allegations of corruption.**(128)**	
129.	(c) The evaluation of the results of verification/enquiries should be done in a competent and just manner. Much injustice can occur due to faulty evaluation of the facts and the evidence collected in support of such facts. Personnel handling this task should not only be competent and honest but also impartial and imbued with a sense of justice.**(129)**	
130.	(d) Whenever an Inquiry Officer requires to consult an expert to understand technical / complex issues, he can do so, but the essential requirement of proper application of mind has to take place at every stage to ensure that no injustice is caused to the honest and the innocent.**(130)**	
131.	(e) Capacity building in the anti-corruption agencies should be assured through training and by associating the required experts during enquiries /investigations. Capacity building among public servants who are expected to take commercial / financial decisions should be built through suitable training programmes. **(131)**	
132.	(f) The supervisory officers in the investigating agencies should ensure that only those public servants are prosecuted against whom the evidence is strong.**(132)**	
133.	(g) There should be profiling of officers. The capabilities, professional competence, integrity and reputation of every government servant must be charted out and brought on record. Before proceeding against any government servant, reference should be made to the profile of the government servant concerned**.(133)**	

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134.	(h) A special investigation unit should be attached to the proposed Lokpal (Rashtriya Lokayukta)/State Lokayuktas/ Vigilance Commission, to investigate allegations of corruption against investigative agencies. This unit should be multi-disciplinary and should also investigate cases of allegations of harassment against the investigating agency. Similar units should also be set up in States.**(134)**	