

CLASS: SS2
SUBJECT: GOVIC
TOPIC: PUBLIC CORPORATIONS II
WEEK: 3
TERM: SECOND

CONTROL OF PUBLIC CORPORATIONS

1. **Parliamentary Control:** Since Public Corporations are established by Acts of parliament, the parliament is given some powers by the acts to exercise some forms of control over the activities of the corporations.
2. **Financial Control:** The accounts of public corporation are audited from time to time by government Auditors and a copy of the Auditors report is submitted to the minister, and the minister in turn submits to the parliament.
3. **Judicial Control:** As a legal entity which can sue and be sued, public corporation can be dragged to court if it fails to act within the limits set by the law that established it and its action declared ultra vires.
4. **Ministerial Control:** Ministers that are answerable to the parliament are given extensive power over public corporations. These include powers to appoint and dismiss members of **Board of Directors**, determination of remunerations Conditions of service, approving all loans and major expenditure etc.
5. **Public Control:** Members of the public who consume goods and services of the public corporations exercise some form of control through criticisms, they level against these corporations.

PROBLEMS OR DIFFICULTIES ENCOUNTERED BY PUBLIC CORPORATIONS

- A. Frequent government or political interference into the administration of public corporations which result in ineffectiveness.
- B. Favoritism in the appointment of general managers and members of board of directors which leads to the entronement and glorification of mediocrity in place of meritocracy.
- C. Political Victimization of Officials of Public Corporations.
- D. Ethnicism and Sectionalism hampers the effective performance of public corporations.

- E.** Political instability that results in frequent change of government always give rise to the irregular change of the officials of public corporations, do not augur well for the efficient functioning of these corporations.
- F.** Lackluster attitude of the workers of public corporations who regard the corporations as nobody's property pose a lot of problems to the effective performance of these corporations.
- G.** Public Corporations are also faced with the problem of red-tapism which refers to excessive use of formalities.
- H.** Lack of qualified personnel because of mass exodus of its professional staff who seek for greener pasture in private firms.
- I.** Inefficiency by workers unlike the private sector.
- J.** Public corporations are also accused of wastage of resources.
- K.** Monopoly or absence of competition reduces their efficiency.

	Public Corporation	Civil Service
1	Public Corporation is managed by members of Board of Directors.	Civil Service is managed by minister advised by the Director General (Permanent Secretary)
2	A Chairman acts as the political Head of public corporation.	Minister is the political head of a ministry.
3	Employees are called public servants.	Employees called civil servants.
4	Board of Directors employs workers	Civil Service Commission employs workers.
5	It takes quicker decisions	It does not take quicker decisions
6	Public Corporation has the ability to contract for loans.	Civil service or ministry cannot.
7	Provide social services and amenities.	Performs mainly administrative functions.
8	Does not pay revenue into the Consolidated fund.	Ministries revenue into the Consolidated fund.
9	Is not subjected to the legislative	A ministry depends directly on annual budget

10	Staff enjoy better condition of annual budget	Staff do not always enjoy good condition of service
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ASSIGNMENT

From the assignment you did last week, write the names of the heads of Public Corporations you have mentioned.