

# Why outcome-oriented auditing could redefine urban governance across BRICS

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As cities across the developing world expand at unprecedented speed, the challenge before governments is no longer merely building infrastructure but ensuring that public investment translates into tangible improvements in people's lives. Roads, metros, sanitation networks, digital platforms, housing projects and climate resilience initiatives consume enormous public resources. Yet citizens ultimately judge governance not by the scale of expenditure or the number of projects announced, but by whether their daily experience improves.

Against this backdrop, the recent BRICS Supreme Audit Institutions Summit in Bengaluru offered a significant intervention in the debate on urban governance. Addressing the gathering, the Comptroller and Auditor General (CAG) of India argued that accountability must remain central to India's urban transformation. More importantly, the discussion highlighted an emerging shift in governance thinking: the need to move beyond traditional compliance-based auditing towards a framework that evaluates whether public spending actually delivers meaningful outcomes for citizens.

This may appear to be a technical administrative reform. In reality, it represents a profound change in how governments define success, how public institutions are evaluated, and how democratic accountability is exercised in rapidly urbanising societies.

For the BRICS nations, which together account for nearly half of the world's population and include some of the fastest-growing urban regions, such a transition could prove transformative. Their cities are engines of economic growth and innovation, but they are also increasingly burdened by traffic congestion, inadequate housing, informal settlements, climate-related disasters, pollution, overstretched public services and widening inequalities. The challenge is not merely one of governance capacity; it is one of governance purpose.

The fundamental question facing policymakers today is simple: Are governments measuring what truly matters?

**The Limits of Traditional Auditing**  
For decades, public-sector auditing has primarily focused on compliance. The objective has been straightforward and necessary: ensure that public funds are spent according to approved rules, procedures and legal requirements. Such audits play an indispensable role in safeguarding public finances, preventing corruption and maintaining institutional integrity.

However, while compliance auditing answers whether money was spent correctly, it often fails to answer a more important question: Did the expenditure achieve its intended purpose?

Consider a metro rail project. Procurement procedures may have been followed meticulously, contracts awarded transparently and budgets adhered to. Yet if the project does not significantly reduce travel times, improve connectivity or encourage a shift away from private vehicles, can it truly be considered successful?

Similarly, a city may invest heavily in sophisticated digital governance platforms and smart-city dashboards. These initiatives may satisfy all administrative and financial requirements. Yet if citizens rarely use them, or if they fail to improve service delivery, their practical value remains questionable.

The same applies to sanitation programmes, water supply projects, housing schemes and climate adaptation initiatives. Infrastructure may be built, funds may be utilised and targets may be officially achieved. Nevertheless, the lived experience of citizens may remain largely unchanged.

This disconnect between expenditure and outcomes has become increasingly visible across many developing economies. Governments often celebrate project completion, while citizens continue to struggle with unreliable services, poor mobility, environmental degradation and inadequate urban infrastructure.

In such circumstances, compliance auditing alone is insufficient. It tells us whether rules were followed but not whether public policy worked.

Placing Citizens at the Centre of Accountability

The International Organization of Supreme Audit Institutions (INTOSAI) has long recognised this distinction. Its International Standards of Supreme Audit Institutions clearly differentiate between compliance audits and performance audits that evaluate effectiveness, efficiency and public value.

The significance of the CAG's intervention lies precisely in this context.

By emphasising "ease of living" and citizen-centric accountability, India's audit framework appears to be moving towards a more outcome-oriented approach. The ongoing audit of 101 cities from the citizens' perspective represents an important experiment in reimagining public accountability. Rather than examining governance exclusively through official records and departmental reports, the exercise seeks to



evaluate quality of life, sustainability and accessibility from the perspective of ordinary residents.

This shift is more than methodological. It reflects a recognition that citizens—not government departments—are the ultimate beneficiaries of public expenditure.

An audit system that prioritises citizen outcomes asks fundamentally different questions. Instead of measuring kilometres of roads constructed, it examines whether commuting has become easier. Rather than counting the number of water pipelines installed, it evaluates whether households receive reliable water supply. Instead of assessing the completion of housing units, it investigates whether vulnerable populations actually gained access to safe and affordable housing.

Such questions move accountability away from paperwork and towards lived realities.

**India's Urban Governance Challenge**  
The need for this transition is particularly urgent in India.

The country is experiencing one of the largest urban transformations in human history. Indian cities already contribute more than 60 per cent of the national economy and are expected to play an even larger role as the country pursues its ambitious vision of becoming a developed nation by 2047.

Yet urban governance remains constrained by persistent structural weaknesses. Fragmented institutional responsibilities, inadequate municipal capacities, weak data systems, overlapping jurisdictions and poor inter-agency coordination continue to undermine service delivery.

Performance audits conducted over the years have repeatedly exposed not only procedural deficiencies but also deeper governance shortcomings.

The audit of the Smart Cities Mission in Dehradun, for instance, highlighted irregularities in the implementation of several expensive technological interventions. While procedural lapses were important findings, the larger issue was whether these investments translated into meaningful urban improvements.

Similarly, audits of the Atal Mission for Rejuvenation and Urban Transformation (AMRUT) have identified weaknesses in planning, monitoring and evaluation. Delayed projects, underutilised assets and inadequate assessment of service improvements have emerged as recurring concerns.

These findings reveal a troubling pattern. Infrastructure creation is often treated as an end in itself rather than a means to achieve better urban outcomes.

Governments proudly report kilometres of roads built, numbers of projects completed and amounts of money spent. Yet far less attention is paid to whether traffic congestion has reduced, whether air quality has improved, whether public transport has become more accessible or whether citizens enjoy a better quality of life.

Outcome-oriented auditing offers an opportunity to bridge this gap.

**Changing Incentives Across Government**

One of the most powerful aspects of outcome-based auditing is its potential to alter institutional incentives.

Today, municipal agencies and state departments are primarily rewarded for financial utilisation and project completion. Success is often measured by budget absorption rates and construction milestones.

This creates predictable behaviour. Officials focus on spending allocations within prescribed timelines and ensuring proj-

ects are completed on paper. Long-term sustainability, maintenance and citizen outcomes frequently receive less attention because they are rarely central to performance evaluation.

An outcome-oriented audit framework would fundamentally change these priorities.

If audit assessments begin focusing on reductions in commute times, improvements in air quality, reliability of water supply, resilience to flooding or access to affordable housing, government agencies would naturally align their efforts towards achieving these outcomes.

The implications are significant. Urban bureaucracies would be incentivised not merely to build infrastructure but to ensure that infrastructure functions effectively and delivers lasting benefits.

In this sense, auditing ceases to be a retrospective exercise in fault-finding and becomes a proactive instrument of governance reform.

**Learning from International Experience**

The idea of outcome-oriented auditing is not without precedent. Several countries have already begun moving in this direction.

The United Kingdom's National Audit Office, through its 2025-2030 strategy titled "Trust, Value and Impact", has explicitly embraced a broader evaluation framework that assesses public programmes based on value-for-money outcomes and service effectiveness rather than focusing solely on financial compliance.

Brazil has also emerged as a noteworthy example. The country's Tribunal de Contas da União has developed innovative approaches that integrate multidimensional poverty indicators into public expenditure assessments. By linking audits to social outcomes, it evaluates how government interventions affect the lives of vulnerable populations rather than merely examining expenditure patterns.

China has increasingly incorporated measurable indicators such as pollution reduction, transport efficiency and public service delivery into administrative evaluation systems, reflecting a growing emphasis on outcomes alongside compliance.

These experiences demonstrate that auditing institutions can evolve beyond their traditional roles as guardians of financial propriety. They can become catalysts for better governance by generating evidence about what works, what does not and why.

**A Shared Urban Agenda for BRICS**

For BRICS countries, outcome-oriented auditing presents opportunities that extend beyond domestic governance reform.

The grouping's major cities—Mumbai, São Paulo, Johannesburg, Shanghai, Cairo and Jakarta among them—face remarkably similar challenges despite their differing national contexts. Rapid urbanisation, housing shortages, environmental stress, climate vulnerability, infrastructure deficits and mobility challenges have become common features of urban life across the Global South.

These shared realities create fertile ground for deeper cooperation.

Although numerous city-to-city partnerships already exist, many remain largely symbolic. Sister-city agreements frequently generate cultural exchanges, official visits and ceremonial declarations but often fail to produce measurable policy outcomes.

The Mumbai-Shanghai Sister City Agreement, for example, established frameworks for cooperation in urban development, transport and economic exchanges. Durban and Rio de Janeiro have interacted through climate governance platforms, while Johannesburg and Indi-

an metropolitan agencies have engaged through international urban networks.

Yet such engagements often remain episodic and disconnected from practical implementation.

A more ambitious model is needed.

Imagine a structured coastal resilience partnership between Mumbai and Rio de Janeiro, focusing on flood adaptation, hillside settlement management and climate risk reduction. Consider Bengaluru and Shenzhen collaborating on municipal digital governance systems and urban technology integration. Delhi and São Paulo could jointly evaluate electric bus adoption and multimodal transport networks, while Johannesburg and Ahmedabad might exchange lessons on heat mitigation and climate adaptation.

These collaborations would become meaningful if linked to measurable performance indicators and independent evaluation mechanisms.

**Towards a BRICS Urban Accountability Framework**

This is where the concept of a BRICS Urban Audit Platform acquires significance.

Such a platform could enable participating cities to benchmark outcomes across critical sectors including climate resilience, public transport, sanitation, housing and service delivery.

Rather than competing through arbitrary rankings or promotional narratives, cities could compare evidence-based performance and learn from one another's experiences.

The role of Supreme Audit Institutions would also evolve. Instead of functioning solely as auditors of expenditure and compliance, they could become facilitators of policy learning, knowledge exchange and governance innovation.

This would create a powerful feedback loop.

Successful interventions could be identified, replicated and adapted across cities facing similar challenges. Failures could be analysed transparently, allowing policymakers to avoid repeating costly mistakes.

Most importantly, accountability would become linked to outcomes that matter to citizens.

**What Citizens Actually Care About**

For ordinary residents, governance is experienced not through budget documents or audit reports but through everyday realities.

People care about whether buses arrive on time. They care about whether roads flood during heavy rain. They care about whether hospitals are accessible, whether housing is affordable and whether water flows consistently from household taps.

Citizens rarely evaluate public projects based on procurement compliance or expenditure utilisation. Their judgement is based on service quality, reliability and convenience.

This does not diminish the importance of traditional auditing. Safeguarding public finances, preventing corruption and ensuring procedural integrity remain indispensable functions of democratic governance.

However, contemporary urban governance requires an additional layer of accountability—accountability for outcomes. Public institutions must not only demonstrate that money was spent properly. They must also demonstrate that spending improved lives.

**From Auditing to Democratic Renewal**

The discussions emerging from the BRICS Supreme Audit Institutions Summit point towards a broader transformation in governance thinking.

At its core, outcome-oriented auditing is not merely an administrative reform or a technical adjustment in evaluation frameworks. It represents a democratic shift in how governments define responsibility towards citizens.

By focusing attention on lived experiences rather than procedural compliance alone, it strengthens the connection between public expenditure and public welfare. It encourages governments to view infrastructure not as an end product but as a means to improve quality of life.

For India, where urbanisation will shape the country's economic and social future, this transition is particularly consequential. Citizen-centric auditing cannot by itself solve the challenges of fragmented governance, weak municipal institutions or inadequate urban planning. Yet it can reshape priorities and create stronger incentives for meaningful reform.

Ultimately, the most important question in public governance is not how much money was spent, how many projects were completed or how many announcements were made. It is whether citizens experienced genuine improvement in their daily lives.

If India's evolving audit framework succeeds in placing that question at the centre of governance, it will achieve something far greater than administrative modernisation. It will reaffirm a fundamental democratic principle: that public institutions exist not merely to manage resources, but to serve people.

In an era of rapid urbanisation and mounting climate uncertainty, that may be the most important accountability reform of all.