
Appendix 5 – About the audit

Audit objective

This audit assessed whether Corrective Services NSW (Corrective Services) and Youth Justice NSW (Youth Justice) effectively and efficiently provide supports, programs and opportunities for the rehabilitation of First Nations peoples in custody and post-release to reduce reoffending.

This audit reviewed in-detail the period between January 2019 and December 2024. However, in concluding against the audit objective, the agencies' actions and the outcomes achieved have been considered up to December 2025.

Audit criteria

We addressed the audit objective using the following audit criteria:

1. Have agencies established governance and accountability arrangements to ensure First Nations peoples are effectively supported in custody, upon and post-release? This includes whether both agencies have:
 - a) management reporting and performance dashboards to report on service activity and outcomes, key performance indicators and performance targets
 - b) clear delineation and assignment of roles, responsibilities and delegations
 - c) processes and commitment to address and track findings and recommendations from relevant previous Inquiries and Reports.
2. Do agencies effectively plan and design relevant supports, programs and opportunities for rehabilitation of First Nations peoples in custody, upon and post-release? This includes whether both agencies:
 - a) have quality information to understand the factors that lead to incarceration and reoffending
 - b) use feedback from stakeholders to understand the circumstances and needs of First Nations peoples in custody, upon and post-release
 - c) effectively use data, research and evaluations to plan, design and resource supports and programs.
3. Do agencies effectively and efficiently deliver and continuously improve relevant supports, programs and opportunities for rehabilitation of First Nations peoples in custody, upon and post-release? This includes whether both agencies:
 - a) ensure relevant programs are delivered efficiently and effectively
 - b) coordinate with other relevant stakeholders to increase the effectiveness of services delivered on and post-release
 - c) use evidence and data to inform continuous service and system improvements
 - d) can demonstrate reoffending rates are decreasing over time.

Audit scope and focus

In assessing the criteria, we checked the following aspects:

- governance frameworks aligned to relevant policy and legislation

- key governance processes including decision-making, accountability frameworks, risks and escalation management, partnerships established with other government or non-government agencies, progress reporting and evaluations
- oversight of relevant targets in Closing the Gap
- effectiveness of supports and programs, including, processes for design and continuous improvement
- efficiency of supports and programs in terms of access, availability and funding.

Audit exclusions

The audit did not examine:

- the functions provided by the NSW Police Force
- the services provided by other government or non-government agencies post-release
- the Court System
- the merits of Government policy objectives

An upcoming audit, [Use of prevention and diversionary measures to address the over-representation of First Nations peoples entering custody](#) will examine the role of the NSW Police Force in preventing and diverting First Nations peoples from custody. We have commented on this topic within this report where it affects our findings or to provide context.

Audit approach

Our procedures included:

1. Interviewing
 - staff from Corrective Services and Youth Justice, including Correctional and Youth Justice Centre staff
 - First Nations governance groups, organisations and community stakeholders
 - relevant government and non-government organisations.
2. Fieldwork visits to Correctional and Youth Justice Centres
3. Examining
 - a) publicly available documents and data
 - b) documents and data provided by the audited agencies.

The audit approach was complemented by quality assurance processes within the Audit Office to ensure compliance with professional standards.

Audit methodology

Our performance audit methodology is designed to satisfy Australian Auditing Standard ASAE 3500 Performance Engagements and other professional standards. The standards require the audit team to comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance and draw a conclusion on the audit objective. Our processes have also been designed to comply with requirements specified in the *Government Sector Audit Act 1983* and the *Local Government Act 1993*.

Acknowledgements

We gratefully acknowledge the cooperation and assistance provided by the audited agencies, Corrective Services NSW and Youth Justice NSW.

Audit cost

The cost of the audit was approximately \$800,000.