SmartSuite

Framework / Risk Management / Other

# APRA CPS 230 — Operational Risk Management

APRA CPS 230 requires banks, insurers and super funds to manage operational risk, keep critical operations within board-approved tolerance levels and oversee material service providers.




## What it is

APRA CPS 230 Operational Risk Management is the Australian Prudential Regulation Authority's cross-industry prudential standard on operational risk. It requires regulated entities to manage operational risks, keep critical operations running within board-approved tolerance levels through severe disruptions, and control the risks that come with service providers. It took effect on 1 July 2025 and replaced CPS 231 Outsourcing, CPS 232 Business Continuity Management and their superannuation and private health insurance equivalents (SPS 231, SPS 232 and HPS 231).

APRA, the prudential regulator, made CPS 230 under the Banking Act 1959, Insurance Act 1973, Life Insurance Act 1995, Private Health Insurance (Prudential Supervision) Act 2015 and Superannuation Industry (Supervision) Act 1993. It binds authorized deposit-taking institutions (ADIs), general insurers, life companies, private health insurers and registrable superannuation entity (RSE) licensees, and the Board is ultimately accountable for it. Prudential Practice Guide CPG 230 explains how APRA expects the standard to be met but creates no enforceable requirements.

## At a glance

PUBLISHER
Australian Prudential Regulation Authority (APRA)

TYPE
Framework

VERSION
CPS 230 (consolidated version commencing 1 July 2026)

EFFECTIVE
July 1, 2025

DOMAIN
Risk Management

FAMILY
Other

REGION
Australia

INDUSTRY
Financial Services

ADOPTION MODEL
Regulatory Compliance

IMPLEMENTATION COMPLEXITY
High

Source: apra.gov.au/standards/cps-230

## Why it matters

- **Clear accountability** The Board approves the tolerance levels and the business continuity plan, and senior managers hold defined responsibilities for operational risk.
- **Resilience measured against limits** A maximum period of disruption, a maximum data loss and minimum service levels turn resilience into figures that can be tested and reported.
- **Visible third-party exposure** A register of material service providers, with the fourth parties they rely on, shows which providers sit behind critical operations.
- **Defined contact with the regulator** Fixed notification windows of 24 hours, 72 hours and 20 business days make it clear when and how fast to tell APRA.

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## How SmartSuite supports APRA CPS 230

### Critical Operations Register

Keep each critical operation in a Table with its owner, supporting processes, systems and service providers held as Linked Records, and Audit Trails on every change.

### Tolerance Levels and Board Approval

Record the maximum disruption period, maximum data loss, minimum service level and approval date on each critical operation, and use Automations to remind owners when a review is due.

### Business Continuity Plans and Testing

Maintain plans, runbooks and contacts with review cycles and version control, schedule the annual exercise, and track test gaps through remediation.

### Material Service Provider Register and Renewals

Hold provider records, contract terms, SLAs and renewal reminders, link each provider to the critical operations it supports, and record the fourth parties it relies on.

### Incident and Tolerance-Breach Workflow

Log incidents and disruptions, flag a breach of tolerance, and use Automations to assign the APRA notification task and alert the owner by email.

### Board and Regulator Reporting

Show tolerance results, test completion, provider reviews and open remediation on Dashboards that respect record and field permissions.

## Common framework mappings

APRA CPS 234 | BCBS Operational Resilience Principles | BCBS PSMOR 2021 | EU DORA | ISO 22301 | ISO 31000:2018

## Official resources

### APRA CPS 230 Operational Risk Management (prudential standard)

The current text of CPS 230 and its clean and marked-up PDFs, on APRA's standards page.

apra.gov.au/standards/cps-230

### APRA CPG 230 Operational Risk Management (practice guide)

APRA's prudential practice guide on how to apply CPS 230; guidance, not enforceable requirements.

apra.gov.au/practice-guides/cpg-230

### CPS 230 targeted amendments (APRA, 30 April 2026)

APRA's release on the amendments to CPS 230 and CPG 230 that took effect on 1 July 2026.

apra.gov.au/news-and-publications/apra-finalises-targeted-amendments-cps-230-operational-risk-management

### APRA operational risk management updates and MSP register template

APRA's update page for CPS 230, including the material service provider register template.

apra.gov.au/consultations/operational-risk-management

## Frequently asked questions

### What is APRA CPS 230 and what did it replace?

APRA CPS 230 Operational Risk Management is a prudential standard that requires regulated entities to manage operational risk, keep critical operations within tolerance levels through severe disruptions, and manage service provider risk. It took effect on 1 July 2025 and replaced CPS 231 Outsourcing, CPS 232 Business Continuity Management, SPS 231, SPS 232 and HPS 231. APRA finalized the standard on 17 July 2023.

### Is CPS 230 mandatory?

Yes. CPS 230 is a prudential standard made under the Banking Act 1959, Insurance Act 1973, Life Insurance Act 1995, Private Health Insurance (Prudential Supervision) Act 2015 and Superannuation Industry (Supervision) Act 1993. Where APRA finds material weaknesses it can require an independent review, a remediation program, additional capital or license conditions. Prudential Practice Guide CPG 230 is guidance and creates no enforceable requirements.


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### Who must comply with CPS 230?

CPS 230 applies to all APRA-regulated entities: authorized deposit-taking institutions (ADIs), general insurers, life companies, private health insurers and registrable superannuation entity (RSE) licensees. For foreign ADIs, Category C insurers and eligible foreign life insurance companies it applies to Australian branch operations only. A Head of group must apply it across the group.

### What are the key concepts in CPS 230?

The core concepts are a whole-of-entity operational risk framework, critical operations identified by the entity, board-approved tolerance levels for disruption, a tested business continuity plan, a register of material service providers that covers fourth-party risk, and board accountability. Tolerance levels cover the maximum period of disruption, the maximum extent of data loss and the minimum service levels during a disruption.

### When must an entity notify APRA under CPS 230?

An entity must notify APRA as soon as possible and no later than 24 hours after a disruption to a critical operation outside tolerance, and no later than 72 hours after becoming aware of an operational risk incident likely to have a material financial impact or a material impact on critical operations. It must also notify APRA within 20 business days of entering or materially changing an agreement for a service it relies on for a critical operation, and before a material offshoring arrangement.

### How does CPS 230 relate to CPS 234?

CPS 234 Information Security remains a separate prudential standard, and CPS 230 requires entities to meet it as part of managing technology risk. An information security incident notified under CPS 234 does not need a second notification under CPS 230. CPS 230 also builds on the risk management framework required by CPS 220 and SPS 220.

### What ongoing activities does CPS 230 require?

Entities must run a systematic business continuity testing program that includes an annual exercise, update the business continuity plan annually, submit their register of material service providers to APRA annually, and test controls at a frequency that matches the materiality of the risks. The Board reviews test results, and internal audit periodically reviews the business continuity plan.

### How would SmartSuite support CPS 230?

SmartSuite lets a risk team keep the critical operations register, tolerance levels, continuity plans and test results, material service provider register, incidents and board dashboards as linked records in one Solution. Automations assign the APRA notification task when a disruption breaches tolerance and send renewal reminders for provider contracts.

License included / downloadable: Yes APRA Prudential Standard CPS 230 is publicly available through the Australian Prudential Regulation Authority.

Full framework page and mappings: smartsuite.com/frameworks/apra-cps-230-operational-risk-management