

# CPS 230 : visibility over operational risk

Operational risk has been a headline issue in the superannuation, insurance and banking industries over recent years and volatile market conditions have resulted in high-profile compliance failures. This has prompted APRA to sharpen its focus on operational resilience and introduce the prudential standard, CPS 230 (Operational Risk Management).

CPS 230 will apply to all APRA-regulated entities in the banking, insurance and superannuation industries. This new standard consolidates some existing operational risk management requirements and includes updated requirements governing service provider risk management and business continuity planning.

Importantly, CPS 230 will introduce a comprehensive concept of material service providers, which includes a requirement to manage material risks associated with using those services providers. APRA entities will need to look deeper into their supply chain and consider third and fourth-party risk regarding the delivery of business critical operations.

While the new regulation will take effect from July 1 2025, there are a number of indicative milestones to meet along the way. [2 key milestone are:](#)

- 1. Mid July 2024** Define material services and identify material service providers across your supply chain.
- 2. End Dec 2024** Entities in a position to set tolerance levels.

The maturity with which institutions can manage these new regulations is diverse. Some have the information and will just need new processes to join the dots, while others may still be managing suppliers via spreadsheet or ERP, with no clear visibility over spend, contract requirements or ability to identify risk.

## RobobAI's holistic technology solution can help Risk and Finance leaders:

- **Define material services and providers**  
[RobobAI Spend Visibility](#) quickly visualizes your spend data to help you define materiality and identify the material suppliers across your supply chain.
- **Identify Third Party Risks**  
By managing categorized spend data on the RobobAI platform, you are able to easily apply [Third Party Risk](#) filters (Cyber, Sanctions and ESG) to monitor and identify third party supplier risk.
- **Maintain, Monitor and Track**  
Engage with your material service providers in real-time in the [RobobAI Compliance](#) module to track, manage and mitigate compliance risks associated to material service providers. Use tailored questionnaires to capture and monitor 4th-party service providers for additional control.

RobobAI have been working with leading Australian organizations to manage spend visibility, supply chain risk and supplier compliance for over 5 years.



Talk to us today about how we can support you increase operational resilience and minimize operational risk in time to achieve the requirements of the new CPS 230 regulations.



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