Impact of APRA CPS 234 on third party technology due diligence

Commences on 1 July 2019

What is APRA CPS 234?

In prior years, Australian regulated entities only had guidance outlining APRA's expectations of them relating to managing cyber risk – *CPG 234 – Management of security risk in information and information technology* (released in 1 February 2010). From 1 July 2019, **the first mandatory Prudential Standard for information security (Cyber), CPS 234**, comes into effect.

CPS 234 contains 36 key paragraphs that set out the detailed requirements regulated entities will have to demonstrate compliance with.

Intent behind the standard

To build

Resilience to information security incidents

The capability to respond swiftly and effectively to breaches

Purpose of the standard

To ensure all regulated entities develop & maintain information security capabilities commensurate with the:

Importance of data held

Significance of the threats faced

Area in focus – Controls and testing

Who does this impact?

CPS 234 will apply to all APRA regulated entities. This includes all authorised deposit-taking institutions (ADIs), general insurers, life insurers, private health insurers, licensees of registrable superannuation entities and authorised non-operating holding companies.

What does this mean?

- The new standard applies to "**all information assets managed by service providers",** this includes all outsourcing of information assets
- It requires regulated entities to "**Implement controls to protect information assets and undertake regular testing and assurance of the effectiveness of controls"** on an annual basis, including controls maintained by third parties.

How we can help?

Our **third party security assessment offering** can help to navigate this requirement using a proprietary assessment framework and data driven digital platform, that allows you to gain real time insights to third parties as well as track remediation actions throughout the year.

Our third party assessment platform can also be augmented by the services of our mature offshore delivery capability to cost effectively execute assessments.

* In the case of information assets managed by a third party the requirements apply from the earlier of the next renewal date of the contract with the third party or 1 July 2020.

PwC's third party assessments – A digital experience

We utilise an innovative solution which we believe is the future for third party security assessments – helping you draw meaningful insights from the data gathered, maintain oversight of the issue management process and access benchmarking.

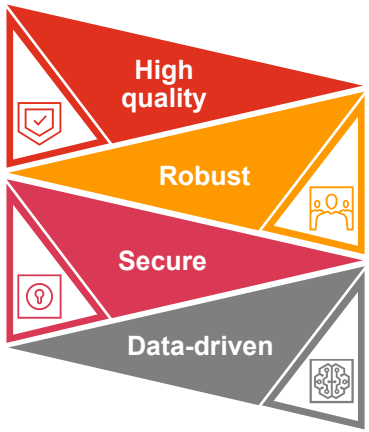
Benefits

Manage	Monitor	Resolve	Analyse	Report
Manage assessments online with the ability to upload supporting documentation via PwC's web-enabled digital platform, Datapoint.	Real-time progress tracking across multiple third parties.	Manage issues raised and establish resolution deadlines with the ability to track progress	Access advanced data analytics, interactive visualisations and benchmark across your third parties and controls	On-demand access to third party security assessment reports

Features

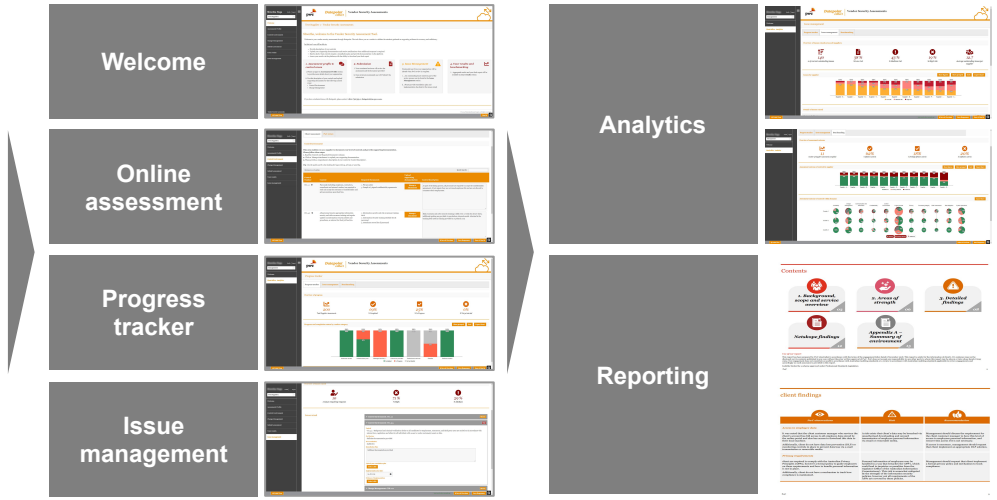
Create a high quality data asset about the security controls at your third parties

- Hosted in PwC AWS environment within Australia
- Simultaneous 24/7 multiple user access with advanced access controls



Provide a centralised trusted source of information

Access meaningful insights, trends and patterns enabling data-driven decision making



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