Extract of the current and draft proposed of APRA's cps 510

As at june 2026

Current CPS 510	Proposed CPS 510 - Draft
Board performance assessment	Board, committee and director performance
44. The Board of a locally incorporated APRA-regulated institution must have procedures for assessing, at least annually, the Board's performance relative to its objectives. It must also have in place a procedure for assessing, at least annually, the performance of individual directors.	50. A locally incorporated regulated entity must assess the performance of the Board, Board committees and individual directors at least annually (annual performance assessment). 51. The annual performance assessment must evaluate, at a minimum: (a) Board and Board committee performance measured against their respective objectives; (b) the appropriateness of the Board skills matrix, having regard to plans for Board renewal and the regulated entity's strategic objectives, risk profile, size, business mix and complexity; (c) the effectiveness of individual directors measured against the directors' performance objectives and the Board skills matrix; and (d) the effectiveness and appropriateness of the governance framework, having regard to the regulated entity's strategic objectives, risk profile, size, business mix and complexity. 52. The Board must consider the annual performance assessment report and any recommendations arising out of the assessment. The regulated entity must be able to demonstrate to APRA progress against accepted recommendations from the report. 53. The Board of a significant financial institution must engage an external, independent expert to conduct a comprehensive assessment of Board, Board committees and directors' performance at least every three years (independent performance assessment). In the year of this assessment, this exercise may replace the annual performance assessment. 54. The independent performance assessment must evaluate, at a minimum: (a) the items identified in paragraph 51; (b) the level and quality of engagement and constructive challenge between directors; and between directors, the Chief Executive Officer (CEO) or equivalent and senior managers; (c) the effectiveness of the chair of the Board and Board committee chairs; (d) the appropriateness of the Board and Board committee workloads and meeting cadence; (e) the quality of management information to enable informed, risk-based decision making and oversight; (f) the appropriateness and effectiveness of Board delegations; and (g) progress made on implementing accepted recommendations from the previous independent performance assessment. 55. The independent performance assessment must uwse a robust, structured and evidence-based methodology. It must be informed by a range of perspectives and have regard to contemporary governance practice. 56. The Board must consider the independent performance assessment report and any actions arising out of the assessment. The regulated entity must be able to demonstrate to APRA progress against accepted recommendations from the report.