Annual Assurance Statement

from the Management Committee of Cernach Housing Association – October 2026

In compiling this years' Annual Assurance Statement, Cernach Housing Association has taken account of the Scottish Housing Regulator's (SHR) 19/03/2026 AAS letter to landlords, the 04/08/2025 SHR's publication on preparing annual assurance statement thematic review and the SFHA's assurance toolkit. We are pleased to report the following:

The Committee confirms that we have reviewed and assessed a comprehensive bank of evidence to support this Statement that Cernach Housing Association is compliant with:

- All relevant regulatory requirements as set out in Chapter Three of the Regulatory Framework
- The Regulatory Standards of Governance and Financial Management
- The relevant standards and outcomes of the Scottish Social Housing Charter
- All relevant legislative duties

We have gained further assurance on this by the outcome of the independent report on assurance carried out by the Association's internal auditor and can confirm that there are **no areas of material non-compliance**.

The Scottish Housing Regulator has asked us to confirm that we have:

- Good quality data on our homes
- Compliance with the Scottish Government's minimum site standards for Gypsy/Traveller sites

We can confirm that we hold comprehensive, good quality and up to date information on the construction, components and condition of our homes. We have gained this assurance through a rolling programme of independent stock condition surveys, with the most recent phase covering 26.8% of our stock being completed in 2026. We aim to complete the next phase of around 25% of homes in 2027/28. We have also previously conducted one off assessments to confirm that there is no presence of RAAC or unsafe cladding within our stock.

Following each survey phase, we carry out detailed financial planning, including prudent component cost uplifts based on construction index pricing, to ensure best use of financial resources to carry out planned replacement of individual components. The survey programme also confirms our Scottish Housing Quality Standard (SHQS) performance and provides us with realistic information to guide future energy targets, such as Social Housing Net Zero Standard (SHNZS). This helps ensure our homes remain high quality, safe and fit for purpose for all residents.

We can also confirm that we operate no Gypsy/Traveller sites.

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The evidence which supports this Statement includes:

- Reports about performance in key areas including finance, service delivery, asset management, tenant and resident safety, risk and governance.
- Key organisational documents including strategic plans, long-term financial projections and asset data such as stock condition survey information
- Reports and minutes from specific workshops on assurance held with the Association's internal auditor, Management Committee and staff team.
- A comprehensive suite of policies and procedures
- Internal and External Audit reports
- Advice from external and specialist advisers
- Resident feedback, including satisfaction surveys and a specific survey focused on assurance topics
- Benchmarking against peers
- Reports, advice and information from senior staff

The Committee has been actively involved in the development and assessment of the evidence bank and monitors regulatory and legal compliance on a regular and ongoing basis. We understand that we are required to notify the SHR of any changes in our compliance during the year and are assured that we have effective arrangements to enable us to do so.

We continue to adopt an improvement focus to our Annual Assurance Statement process and will continue working on making our services even better for residents.

As a community-based landlord, we conduct effective financial management to ensure the longevity of the Association and its assets which serve the community.

Each year we conduct a full external audit which is wholly independent of the Association and is reported to the Association's members each year at the AGM. We once again received a clean audit report in 2025-26. This is supported by a tight system of financial controls, regular review of covenant compliance which indicates significant headroom available, a prudent approach to treasury management, and regular reviews of our short and long-term financial planning. We therefore have assurance from diverse sources that the Association's financial position remains viable over a thirty-year period, while being able to keep rents at an affordable level, and minimising the requirement to seek additional funding for any activities within our current Strategic Plan.

For tenant and resident safety, we can confirm that we are fully compliant and have met all our obligations in these areas, specifically gas safety, electrical safety, water safety, fire safety, asbestos, lift safety and damp and mould.

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We can further provide assurance that we have effective management and monitoring arrangements following the introduction of Awaab's law in Scotland.

As Chair of the Association, I was authorised by the Management Committee at a meeting held on 29 October 2026 to sign and submit this Assurance Statement to the Scottish Housing Regulator and this will be made publicly available on our website.

John Brannan - Chairperson
29 October 2026