ANNUAL ASSURANCE STATEMENT 2026

The Board of Lochalsh and Skye Housing Association is of the opinion that it is materially compliant with the Regulatory Standards set out in Chapter 3 of the Regulatory Framework.

We have completed a self-assurance process for all Regulatory Standards to maintain our ‘compliant’ status and embed best practice. As a Board, we have made decisions based on good quality information which seeks to deliver our Business Plan, our Strategies, the Development Programme and adhere to Regulatory requirements. This includes work to improve asset management data collection, report notifiable events, improve EICR compliance -enabling us to be ahead on the programme of testing- and to manage strategic and operational risks to the organisation.

In undertaking the self-assurance exercise Lochalsh and Skye Housing Association has provided an evidence bank to the Board to demonstrate compliance with all relevant standards and outcomes in the Scottish Social Housing Charter, and relevant legislative duties. We have had the opportunity to read and seek clarification with the CEO and Governance Officer on the evidence. We agree that for the vast majority of regulatory standard sub-categories, we rate ourselves as having ‘strong’ evidence of compliance. Where we have rated ourselves as having ‘substantial evidence’, there is clear direction on what strategies, reporting, action plans or working group outputs could be improved. The Board is assured that implementing this work over the next year will help us achieve even stronger evidence for 2027-28.

In addition, we have demonstrated compliance with Standards of Governance and Financial Management and received detailed professional advice in the form of reports to the Board from the Chief Executive, the Director of Finance and Investment and Senior Management Team across all business areas including; governance, finance, procurement, human resources, asset management, housing management and development. Reports have consistently included consideration of strategic and operational risks, relevance to our business plan, regulatory compliance, financial implications, and impact on tenants and equalities. Our development programme inherently carries some of the biggest strategic risks, and has therefore been monitored closely, with new project risk assessments and robust financial viability analysis and financial forecasting to ensure debt is within our tolerance. An ongoing rigorous data protection audit, an updated digital action plan and the creation of a new AI policy have helped to ensure emerging risks are managed successfully.

The Strategic Risk Register has received a significant review to ensure strategic risks were streamlined and risk tolerance thresholds displayed; this has enabled

clearer and more meaningful monitoring. A new risk tracker has also been introduced for the Board to see fluctuations in risk over time. The Audit, Finance and Risk sub-committee regularly review the risk register and to ensure all mitigating actions are captured and delivered. Operational risk registers are used by the Senior Management Team to embed and monitor risk management, which compliments and strengthens the oversight of strategic risk.

We welcomed the introduction of the Tenant Portal which provides tenants with online access to check their rent balance, update their personal details, view Association documents, report and track repairs and log an enquiry. We plan to develop this further, to make online rent payments available and encourage further engagement. Uptake and use of the portal is monitored, and our website has been upgraded and updated to improve accessibility. We continue to provide support to tenants and seek their feedback to ensure that our services are digitally inclusive. A new Tenant Participation Strategy has also been developed for 2026-2029 with an action plan to further encourage tenant participation through different models and monitor outcomes.

The Association has reflected on the results of the tenant satisfaction survey and latest rent consultation to assure the Board that we are listening to the voices of tenants and using this to inform decision making, improve or align strategies to tenant priorities, update policies and shape our service improvement plans. Lessons learned and complaints performance is monitored on a quarterly basis.

As a Board we were encouraged to receive the results of the staff survey which provided positive feedback on the staff's opinion of the Association and reputation. People Strategy key performance indicators have also been presented to evidence progress on the delivery of this work.

Throughout the year the Association has sought advice and information from the internal auditor, external membership bodies and special consultants. Examples of these are below.

An Internal Audit update was provided for the year ending 31 March 2026 focusing on Reactive Maintenance which provided substantial assurance surrounding the reactive repairs arrangements, with recommendations to tighten two procedures. The Annual Report by WBG for 2025-26 summarised the internal audit work undertaken in the year. It concluded that *"The Association did have adequate and effective risk management, control and governance processes to manage its achievement of the Association's objectives at the time of our audit work and that proper arrangements are in place to promote and secure value for money".*

Our External Auditors RSM UK Audit LLP have audited the financial statement for the year to 31 March 2026 and issued an unqualified report.

At the Board Strategy Day in June 2026, feedback was received from Scotland's Housing Network on the Association's Annual Return of the Charter (2025/2026) against their peer groups. This was most helpful for Board Members to be assured of the Association's performance and for benchmarking against other registered social landlords.

The Association continues to build on the regulatory requirements for Equality, Diversity and Inclusion. We were encouraged to see reports such as the results of our last rent consultation including analysis by protected characteristic groups - for consideration in rent increase decisions, and policy reviews consistently receiving equality impact assessments. We are assured of the continued delivery of the EDI strategy and that this will increase in scale and pace next year, through the Equality, Diversity and Inclusion working group which covers initiatives on staff awareness, Board member recruitment and improving outcomes for tenants.

We have ensured compliance with the employment law changes introduced by the Employment Rights Act (2025) by reviewing and updating procedures and policies, attending specialist training from employment lawyers, helping to meet legislative requirements and support a positive working environment for all staff.

The Association continues to ensure compliance with health and safety and management of our fleet. We follow our Damp and Mould Policy, and staff have undertaken training on this topic prior to the introduction of Awaab's Law through enhancements in the Housing Scotland Act (2025) to act within a specified timeframe. We have also reviewed and updated all policies in relation to Tenant Safety, received quarterly health and safety reports and are encouraged by the work of the new health and safety staff committee.

As a Board, we are therefore assured that we have the necessary systems, approaches and expertise within the association to identify issues of material non-compliance in relation to our governance and the operation of our business that may occur in the future.

As Chair, I was authorised by the Board at a meeting held on 19 October 2026 to sign and submit this Assurance Statement to the Scottish Housing Regulator.

Dated 21st October 2026