National Audit Office

The UK's independent public spending watchdog

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OVERSIGHT OF HMRC'S OR HM TREASURY'S ADMINISTRATION OF INHERITANCE TAX

Thank you for your FOI request to the National Audit Office (NAO) dated 22 October 2025. You asked for information concerning the oversight of HMRC's or HM Treasury's administration of Inheritance Tax. Your specific request is as follows:

(a) Any NAO correspondence, briefing, or internal audit material — created or received since 1984 — relating to oversight of HMRC's or HM Treasury's administration of ***Inheritance Tax (IHT)****, including references to trustees' compliance, record-keeping, or audit scope.*
(b) Any documentation or internal correspondence discussing, referencing, or acknowledging ***Board of Inland Revenue minutes 79/45 or 81/12****, or any subsequent audit awareness of those minutes.*
(c) Any communications between the NAO and the ***Treasury Officer of Accounts*** *concerning record preservation, loss, or destruction of audit material originating between* ***1979–1983*** *from HM Treasury or the Inland Revenue.*

We have considered your request under the terms of the Freedom of Information Act 2000 (FOIA). Regarding point (a), the scope of the request is very broad and would require an extensive search across multiple audit streams. This would include reviewing internal files for all HMRC studies within our retention period, relevant audit correspondence, and potentially published reports containing references to IHT. Initial estimates indicate that the search alone would require considerably more than the 18 hours permitted under the Freedom of Information Act cost limit of £450. As such, **Section 12** of the Act applies, and we are unable to process this part of your request as currently framed. **Annex A** provides further details of the Section 12 exemption.

To assist you in refining your request, you may wish to consider narrowing the timeframe (for example, limiting it to the last two or three years), specifying reports or audit years of interest, or confirming whether you are seeking only published NAO material, which is publicly available on our website. If you choose to submit a narrower request, we would be happy to consider it.

We do not hold any information within scope of points (b) and (c) of your request. These elements relate to records created over forty years ago. The NAO operates under a six-year retention policy for internal audit files and correspondence, after which records are lawfully destroyed. As such, any material from the periods referenced in points (b) and (c) are no longer held. I can confirm that we do not hold the information covering these parts of your request.

Our policy is to respond to requests as helpfully and promptly as possible. I hope the information provided above explains why we cannot comply with your request on this occasion and that the links provided are useful. If you are not happy with this response, you can ask for an internal review within 40 working days by writing to the NAO FOI Team at FOI@nao.org.uk. If you are not content with the outcome of the internal review, you have the right to apply directly to the Information Commissioner for a decision. The primary way of escalating your concerns to the Information Commissioner is at: https://ico.org.uk/foicomplaints.

Yours sincerely,

FOI and Correspondence Officer

Annex A

Section 12 of the Freedom of Information Act (FOIA)

Section 12 of the FOIA allows a public authority to refuse a request if the cost of providing the information to the applicant would exceed the ‘appropriate limit’ as defined by the Freedom of Information and Data Protection (Appropriate Limit and Fees) Regulations 2004.

The Regulations provide that the appropriate limit to be applied to requests received by public authorities is £450. For the purposes of the estimate the costs of performing these activities should be estimated at a rate of £25 per hour. This is therefore equivalent to 18 hours work.

In estimating the cost of complying with a request for information, a public body can only take into account any reasonable costs incurred in:

(a) determining whether it holds the information,

(b) locating the information, or a document which may contain the information,

(c) retrieving the information, or a document which may contain the information, and

(d) extracting the information from a document containing it.