National Audit Office

The UK's independent public spending watchdog

Switchboard +44 (0)207 798 7000
Direct Line +44 (0)207 798 7264
Email FOI@nao.org.uk

Reference FOI-1906
Date 05 March 2026

GOVERNMENT BANKING SERVICE (GBS)

Thank you for your request dated 05 February 2026 to the National Audit Office (NAO). Your request has been handled under the Freedom of Information Act 2000 (FOIA). To summarise, you asked for information in relation to the governance, oversight, audit, or value-for-money assessment of the Government Banking Service (GBS).

We have searched our Financial Audit and Value for Money records to consider whether we hold any relevant information to your request. We can confirm that the NAO holds some recorded information within scope of part 1 of your request. Some of the information you requested can be found in the two reports which are detailed below; however, we do not hold information for the full period 1 January 2008 to 1 January 2020. This is due to our six-year Records Retention Policy.

The policy can be found online. We operate standard retention periods and dispose of information in accordance with these. With regards to the information we do hold, our 2015 report on https://www.nao.org.uk/wp-content/uploads/2015/09/Financial-institutions-landscape.pdf makes two brief references to GBS. Given the elapsed time since publication, we would no longer hold any underlying evidence/papers for this report given our retention schedules as explained above. There is also our 2021 report https://www.nao.org.uk/wp-content/uploads/2021/08/Investigation-into-supply-chain-finance-in-the-NHS.pdf. This makes brief references to GBS.

We hold four Internal Audit reports produced by HMRC, which fall within the broad scope of part 1 of your request. However, this information is exempt from disclosure under section 33 (public audit functions) of the FOIA. A detailed explanation of this exemption, including the public interest test, is provided below. FOIA provides a legal right of access to recorded information held by a public authority, but it is subject to certain exemptions that may apply.

section 33 of the FOIA provides that:

(1) This section applies to any public authority which has functions in relation to -
(a) the audit of the accounts of other public authorities, or
(b) the examination of the economy, efficiency and effectiveness with which other public authorities use their resources in discharging their functions.

(2) Information held by a public authority to which this section applies is exempt information if its disclosure would, or would be likely to, prejudice the exercise of any of the authority's functions in relation to any of the matters referred to in subsection (1).

Reasons why we have applied the section 33 exemption:

We have applied the section 33 exemption to some of your request because the material was provided to the NAO solely for our statutory audit work. It contains sensitive Internal Audit information related to HMRC's compliance, operational resilience, and financial management. Disclosing this information under the FOIA could compromise the effectiveness of our audits.

It is vital that the NAO has a safe space to gather information and knowledge and engage in free and frank discussions with audited bodies, such as HMRC. To fulfil our statutory functions, some information must be exchanged confidentially, ensuring it is not shared beyond auditing needs. Release of the data you requested could hinder future audit information flow and weaken critical exchanges.

Therefore, disclosure would remove our safe space for gathering information, leading to challenges in accessing audit material and possibly increasing formal proceedings and costs. This conflicts with Section 17(3) of the Budget Responsibility and National Audit Act 2011, which requires the C&AG to carry out functions efficiently and cost-effectively.

The Public Interest Test

We recognise that there is a public interest in knowing the use of public money is subject to appropriate levels of accountability and transparency. The NAO's work helps Parliament hold government to account, and in our view, the balance of public interest rests with the NAO being able to deliver an effective and efficient public audit function and report our findings in public. Consequently, given the negative impact that would result from disclosure, we consider it appropriate to maintain the section 33 public audit exemption in this case.

Information Not Held

Furthermore, I can confirm that we do not hold any correspondence, briefings or legal opinions relating to the use of citizen identifiers (such as NI numbers or UTRs) within GBS systems. This has not been the subject of NAO audit work. Neither do we hold audit findings, working papers or other unpublished material relating to HMRC's use of GBS accounts or the mechanisms by which individual taxpayer payments are tracked, allocated or reconciled. Lastly, we do not hold documents assessing the legal or statutory basis for linking citizen identifiers to pooled government banking accounts. We do not hold Data Protection Impact Assessments on this topic.

I hope this information is helpful. If you are not happy with the way we have handled your request, you can escalate your concerns. You should write to us within 40 working days, and we will carry out an internal review in relation to your original request. Write 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 & Correspondence Officer
NAO FOI Team