**Annex B**

**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 UKRI, including emails, letters and working papers. 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 UKRI. 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.