



David Behan  
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*Sent via email to: [david.behan@cqc.org.uk](mailto:david.behan@cqc.org.uk)*

4 June 2015

Dear David,

### **INTERNAL AUDIT REPORT FOLLOWING A “PROTECTED DISCLOSURE” MADE TO DH IN 2014**

As you are aware, at the end of April 2014 a disclosure, said to be a “protected disclosure” was made to the Department of Health (DH) which alleged that there was a failure to comply with Government Procurement Rules in relation to two procurement exercises carried out by CQC in February 2013 (for CQC’s Organisational Design and for the Development of a Risk-Based Intelligence Approach For CQC); and made allegations about related events.

Upon receipt of the disclosure, I commissioned Health Group Internal Audit (HGIA) to undertake a fact-finding review of the circumstances concerning the procurements referred to in the protected disclosure.

This review has now been completed and I have considered the findings which are detailed in the HGIA report, now attached.

#### **The Report’s findings**

The report concludes that CQC made procedural errors in relation to procurement rules and practice. It also notes that at this time CQC was under considerable pressure to change as an organisation and to respond to the findings of the Francis Inquiry.

I know that under your leadership CQC has made substantial progress in transforming itself and has, since these events occurred, put in place a number of changes to strengthen its procurement function. I am, however, concerned about the findings of the internal audit report as they indicated that on this occasion CQC fell short of the procurement requirements placed on a public body.

#### **Next steps**

Part 3 of the report sets out recommendations for next steps to be taken by CQC, which include an internal review of CQC’s procurement practices and procedures and a programme of training across CQC. I understand that CQC already has

*From the Permanent Secretary  
Una O'Brien CB*

much of this work in train, and trust that CQC will now commission any remaining work needed as a priority.

In response to this review, a report on improvements made thus far and an action plan to address any necessary improvements should be sent to CQC's Audit and Corporate Governance Committee and to DH via the CQC Sponsor Team. I would like to see all improvement action completed by the end of October 2015.

I will publish concurrently the report and this letter on the corporate reports section of the DH section of [gov.uk](http://gov.uk); and I am also sending a copy of the report to the person who made the disclosure.

CQC is continuing to improve as an organisation under your leadership. I am confident that you will consider seriously the findings of this report and make whatever further improvements are required.

I am copying this letter to your acting Chair, Michael Mire.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Una O'Brien', with a small flourish at the end.

**Signed electronically after approval by Una O'Brien**

**UNA O'BRIEN  
PERMANENT SECRETARY**