Ormiston Academies Trust

(Academy Name)  
Mandate Fraud Policy

Policy version control

|  |  |
| --- | --- |
| Policy type | Mandatory |
| Author | Claire Lovell, OAT Finance |
| Approved by | Executive, June 2023 |
| Release date | June 2023 |
| Review | Policies will be reviewed in line with OAT's internal policy schedule and/or updated when new legislation comes into force |
| Description of changes | * Sections 2.3, and 3.3-3.8 reworded * Appendix 2 updated * Academies are required to obtain and verify bank information from new suppliers prior to entering the new supplier request onto the Finance Portal. |

Contents

[1. Policy statement and principles 3](#_Toc114151225)

[2. Procedures 3](#_Toc114151226)

[3. New supplier verification 3](#_Toc114151227)

[4. Changes in existing suppliers details 4](#_Toc114151228)

[5. Request for invoices/other supplier details 5](#_Toc114151229)

[6. Lloyds Commercial Banking Online (CBO) provide information of a change in beneficiary’s bank accounts 6](#_Toc114151230)

[7. Monitoring controls 6](#_Toc114151231)

[Appendix 1 7](#_Toc114151232)

[Mandate Fraud Policy 7](#_Toc114151233)

[Appendix 2 9](#_Toc114151234)

[New Supplier Information Form 9](#_Toc114151235)

1. Policy statement and principles
   1. Ormiston Academies Trust (OAT) processes a significant number of payments via internet banking systems. The purpose of this document is to provide clear guidance to employees on handling requests from the suppliers to change banking information for making such payments. In applying the policy, all individuals must have due regard to the best interests of the trust.
   2. The purpose of this OAT policy is:

* To ensure all requests for changes to supplier details and requests for supplier information is valid
* To ensure supplier banking details are validated and up to date

1. Procedures
   1. The policies and procedures apply to all employees of OAT whether at head office or in the academies.
   2. Criminals are using increasingly sophisticated means of committing fraud, so we all need to be aware and not take correspondence and telephone calls at face value unless you are satisfied that the source is genuine.
   3. All changes to supplier bank details and the inputting of new suppliers into the Finance Portal will be approved by the central finance team.
   4. The process for supplier verification has been split into two: New supplier verification and Changes to existing supplier details.
2. New supplier verification
   1. Academies check the Available Suppliers list in Finance Portal to determine whether a supplier is new or existing.
   2. Academies email and request new suppliers to complete a New Supplier Form (Appendix 2)
   3. In conjunction with the new supplier form, suppliers will be requested to send through either of the following:
      1. Details of their bank account name, sort-code and bank account number, on signed letterhead in pdf format (or as a photo/scan)

OR

* + 1. One of the following:
  + Copy of a paying-in slip
  + Copy of a struck-through cheque
  + Copy of a redacted bank statement
  1. If bank details are provided on letter head, the supplier should be called by the Academy finance team using a phone number provided following an internet search to verify the details before the bank details are added to the supplier record to allow payment to be made. Details of the telephone conversation must be recorded and included in the new supplier request in the Finance Portal including:
  + The name of the employee that the conversation was held with
  + Their Job Title
  + Company name
  + Date and time of call to verify request
  1. If the bank details are provided as a paying-in slip/struck-through cheque or redacted bank statement, no additional telephone verification is required.
  2. When the completed new supplier form and evidence of bank details have been received and if application (see section 3.4) the bank details have been verified, a new supplier request should be submitted on the Finance Portal by the academy finance team:
     1. All of the fields in the New supplier request form must be completed – information from the supplier request form (Appendix 2), if provided by the supplier in Word, can be copied and pasted into Finance Portal. Once the first screen of the request has been completed and checked, select OK and complete the following screen.
     2. Where bank details required telephone verification, the details of the conversation as outlined in section 3.4 must be included in the comments box on the request form.
     3. The bank details must be entered – these can be copied & pasted from the supplier form. The details should be checked to the supporting information before submitting the request.
     4. The contacts tab should be completed including the new supplier requester’s information.
     5. Supporting information must be uploaded into the request in pdf format, this must include (1) the new supplier information form (Appendix 1) and (2) the bank details verification
  3. The Head Office finance team will review the new supplier request to confirm that the bank details entered agree to the supporting information, and that, where required, telephone verification of bank details has taken place and details are entered into the comment box. The Head Office finance team will then approve the request and the supplier record will be created in the purchase ledger.
  4. Where the review identified incorrectly input information, incomplete forms or non-verification of bank details the form will be rejected and the academy will need to complete and re-submit the request.

1. Changes in existing suppliers details
   1. Any requests to change supplier details over the telephone should not be accepted. Decline the request and ask the supplier to provide the request in writing to the trust’s registered office, or to email a scanned copy of the signed request in pdf form to [suppliers@ormistonacademies.co.uk](mailto:suppliers@ormistonacademies.co.uk)
   2. If the request is in writing, this should be scanned and emailed to [suppliers@ormistonacademies.co.uk](mailto:suppliers@ormistonacademies.co.uk) and then the central finance team will complete the steps below.:
      1. Carefully check details on the document. Check that address, telephone number, email format (make sure that company name is spelled exactly the same as email on system) agrees to information already held on the system. Check that letterheads are exactly the same as copy invoices already scanned to system. Often suppliers show their bank details on invoices for BACS payments, this is also a useful double check if you are suspicious.
      2. Contact the company by telephone using the number you have previously used to contact them and ask them to re confirm their bank details or any other changes. Ideally, this reconfirmation should be done with an individual that did not request the initial change, unless it is with a sole trader, where due to the nature of their business it will be acceptable to interact with the same individual to confirm their details.
      3. Details of the above points should all be fully documented, and the steps that have been taken to confirm the changes should all be written down as supporting evidence. They should then be attached to the portal and a request for supplier modification completed.
      4. This will then be approved by another individual in the finance team. The details will then be automatically updated in the portal.
   3. If suppliers need assistance with providing the necessary details in writing, the form in Appendix 1 can be sent to the suppliers to complete. The necessary verification checks in 4.2.1 onwards should still be completed.
2. Request for invoices/other supplier details
   1. If you receive a telephone call requesting details of payments to be made to a supplier, or requesting details or copies of remittance advices you should ask them to provide the following details for security purposes:

* Details of invoice numbers in query
* The value of the invoices
* The date the last payment was made to them and its value.
  1. The above should be applied for all suppliers, even known contacts at suppliers. Only the above details should be shared at this stage, being mindful of any potential GDPR issues.
  2. If you receive an email requesting details of payments to be made to a supplier from a known contact, you can email the contact based on their email address on the system and answer the query. If the email request is not from a known contact then you would need to reply to the email asking for the details in section 2.4 for security purposes.

1. Lloyds Commercial Banking Online (CBO) provide information of a change in beneficiary’s bank accounts
   1. Lloyds (CBO) sometimes provides information to its users as to a change in a beneficiary’s bank account details. Bank account details should not be changed following this information. The procedures highlighted above should still be followed in all instances, and the information provided by Lloyds (CBO) should not be relied upon in this instance, but should be used as a prompt to ask the supplier if their bank details have changed, and then the above procedures should be followed. Once this information has been collated then it will need to be checked and verified by another individual in the central finance team.
2. Monitoring controls
   1. Compliance checks will be undertaken on a sample of new supplier records and modifications to existing supplier records to confirm that the steps in this policy have been complied with.

Appendix 1

Mandate Fraud Policy

To whom it may concern

Ormiston Academies Trust has received a request to change your supplier bank details. In accordance with our mandate fraud policy we need to carry out a series of checks to ensure that this is a valid request.

If you have requested a change in your bank details please can you complete the details below, print on your headed paper, and then sign and date it. If you have not requested a change, please can you inform the trust or academy immediately.

**Please return it by post to the attention of:**

Finance Department

Ormiston Academies Trust

One Victoria Square

Birmingham

B1 1BD

**Supplier Name:**

**Date of request of change:**

**Old bank sort code:**

**New bank sort code:**

**Old bank account number:**

**New bank account number:**

I hereby confirm that the above details are correct to enable you to change our bank details on your system:

**Name:**

**Signed:**

**Job title:**

**Date:**

**Internal use only**

Telephone conversation confirmed changes are genuine

**Date held**

**Conversation with**

**Signed**

**Security checks completed by:**

**Authorised to amend bank details:**

Appendix 2

New Supplier Information Form

We would like to create a supplier account for you so that we can pay you in accordance with agreed terms, and need certain details from you to do this. We follow a verification process for new suppliers to manage the risk of supplier mandate fraud and to ensure that we make payments to authorised bank accounts only. Please be aware that we are unable to make a payment to a new supplier until the verification process has been completed.

In order for us to be able to pay you, please can you complete the details in the boxes below, any boxes that aren’t applicable please enter N/A and return, by reply, together with either:

1. One of the following:
   1. Copy of a paying-in slip
   2. Copy of a struck-through cheque
   3. Copy of a redacted bank statement

OR

1. Details of your bank account name, sort-code and bank account number, on signed letterhead in pdf format (or as a photo/scan). Please note that if bank details are provided on letterhead, we will call to verify the details before the supplier account is approved.

|  |  |
| --- | --- |
| Company name |  |
| \*Trading name |  |
| Address |  |
| Telephone Number |  |
| Accounts Email Address |  |
| Order Email Address |  |
| Remittance Email Address |  |
| Web URL |  |
| Company Registration Number |  |
| VAT registration number |  |
| Bank Account Name |  |
| Sort Code |  |
| Account Number |  |
| Swift Code (if applicable) |  |
| IBAN Number (if applicable) |  |

**\* Sole Traders, Self-Employed, Companies who trade under a trading name**

Please ensure all statements are sent by email to the Finance Department at [invoices@ormistonacademies.co.uk](mailto:invoices@ormistonacademies.co.uk)

**All invoices must include a valid PO number to allow invoices to be processed, otherwise the invoice and will not be processed.**