



# AIDE MEMOIRE

## Update on MIQ Invoicing

<b>Date:</b>	8 June 2021	<b>Priority:</b>	Low
<b>Security classification:</b>	In Confidence	<b>Tracking number:</b>	2021 - 4002

<b>Information for Minister(s)</b>
Hon Chris Hipkins <b>Minister for COVID-19 Response</b>

<b>Contact for telephone discussion (if required)</b>			
Name	Position	Telephone	1st contact
Michael Alp	General Manager, Finance Systems and Control	Privacy of natural persons	
Steve Burgess	Manager, Financial Accounting and Control		✓

<b>The following departments/agencies have been consulted</b>

- Minister's office to complete:**
- |   |  |
|---|--|
| <input type="checkbox"/> Approved             | <input type="checkbox"/> Declined            |
| <input type="checkbox"/> Noted                | <input type="checkbox"/> Needs change        |
| <input type="checkbox"/> Seen                 | <input type="checkbox"/> Overtaken by Events |
| <input type="checkbox"/> See Minister's Notes | <input type="checkbox"/> Withdrawn           |

**Comments**



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### Purpose

To provide an update on the MIQ Invoicing Improvement Project and the implications for weekly reporting.

Stewart McRobie  
**Chief Financial Officer**  
Finance and Performance, MBIE

8 / 6 / 2021

Megan Main  
**Deputy Secretary**  
Managed Isolation and Quarantine, MBIE

8 / 6 / 2021

### Background

**Since fees were introduced in August 2020, invoicing returnees for their stays in MIQ has been impacted by data quality issues, an increasingly complex fees regime and a reliance on a predominantly manual process**

1. We have previously briefed you on these issues [Briefing 2021- 2242 refers] and undertook to update you on progress.
2. In summary, the data required to invoice returnees is complex and held in multiple systems and by multiple agencies. In particular we were reliant on information from Health to establish liability and issue invoices. The process involved in harmonising data from the different sources was largely manual and much of the data, especially from earlier in the fees regime, was sought from returnees on arrival at a MIF and was often incomplete or of poor quality.

**The MIQ invoicing improvement project was established to improve the ability to invoice in a timely manner**

3. The MIQ invoicing improvement project was established in April overseen by the Chief Finance Officer and the Deputy Secretary MIQ, with a project team comprising senior MBIE staff and external advisory support.
4. The objectives of the project were to invoice travellers within the week after they leave a MIF; enable robust reporting; and to have an end-to-end invoicing process that supports the changing legislative environment - featuring fewer manual processes, flexibility, reduced risks and a clear plan for ongoing improvement.

5. The project has focussed on the process for invoicing for arrivals from 25 March 2021, when the revised fees for temporary visa holders took effect. While the new process was established, invoicing returnees from this date was put on hold. The Invoice Team has refocussed on addressing more complex fee calculations from earlier arrivals.
6. Data feeds from Immigration New Zealand (INZ) have been established to support this process under a new information sharing Memorandum of Understanding between three groups within MBIE – MIQ, INZ and Finance & Performance. A one-off data-match of immigration data for past returnees has also been provided.

## **The new invoicing system is now operational**

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### **Invoicing went live on 31 May using the new invoicing system**

7. On 31 May, a week's worth of matched data was uploaded into our finance system. The system successfully identified a sub-set of data and automatically created customer accounts and invoices for final review.
8. During June, the Invoicing Team will be focussed on maximising the number of invoices sent. This means that they will start with the simplest invoices from the post-25 March<sup>1</sup> cohort.
9. The Finance team is working through three groups of invoices:
  - Arrival date from 31 May 2021 onwards – being processed via the new semi-automated invoicing platform.
  - Arrival date from 25 March 2021 – invoicing previously on hold and now being processed via the new semi-automated invoicing platform.
  - All backlog invoices for returnees that entered MIQ between 11 August 2020 and 24 March 2021 are on hold and to be invoiced through the new semi-automated invoicing platform.
10. The new semi-automatic process will streamline invoicing for a significant portion of liable returnees arriving after 31 May 2021. A number of liable returnees will still need to have their invoices processed through a manual process, due to the complexity of the fees liability framework.

### **A large number of invoices will be issued in the next six weeks.**

11. As a consequence of the new system, a large number of invoices will be issued in the next six weeks. There is likely to be a spike in fees and waiver applications, and potentially complaints as people receive invoices weeks and months after leaving MIQ.
12. We have developed a communications plan and Frequently Asked Question responses to assist with media interest. We will provide a copy to your office.

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<sup>1</sup> The 25th March is a key date for differentiating returnee's as that is when a change in the fee's regime which resulted in Critical Workers paying a higher amount of fees. Issuing invoices from this period was put on hold while the new platform was established.

## **Historical data will be processed during June**

13. During June, we will apply the new matching process to the historic (pre-25 March) dataset. We will reconcile this newly enhanced data to past waivers and invoicing before uploading into our finance system, then issue all the backlog invoices in this dataset using the new semi-automated invoicing platform. This work will also give us the potential write offs that we need to seek approval from both you and Minister of Finance for the year ending 30 June 2021.
14. Having all data in a single location and enhanced data will provide a single source of truth for reporting and potentially enable invoicing where data was previously insufficient.
15. The historical data reconciliation will underpin our upcoming assessment of provisioning for doubtful debts and request to write off bad debt for financial year end.

## **Implications for reporting**

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### **Future improvements will follow, including implementation of the 30 day payment timeframe**

16. The new 30 day payment timeframe will be implemented from 20 August as advised in the weekly report. This will allow time for communications to prospective returnees to be updated. This date will be brought forward if possible.
17. In addition to the process improvements described above, the project has established a platform that enables further improvement. Opportunities for improvement include automated look-up of waivers and enabling new payment options such as credit cards.

### **In July, process reporting will become more consistent and responsive**

18. Once data is within a single environment, a more efficient reporting process can be implemented.
19. The project team are designing and developing management reporting that will be launched during July. This includes reporting on the appropriation performance metrics established in Budget 2021.

### **We will seek input on the content of future weekly reports**

20. Alongside new management reporting, an enhanced weekly reporting template will be implemented in July. We will seek input from your office on how the metrics and their presentation can meet your requirements.
21. Potential enhancement to reporting that would be available to your office include:
  - The ability to provide breakdowns beyond the current groups (Aircrew, Group, Maritime, Other), for example, by visa type.
  - Presenting the dollar value of waivers issued.
  - Being able to differentiate between 'Rooms Invoiced' and 'People Invoiced' and consistently presenting the most meaningful invoices picture.

## **A bridging report will be provided during transition**

22. While we ingest and reconcile historic data in the new system, our ability to produce the current reporting will be constrained.
  23. Previously, we reported to you weekly on four pre-invoicing measures:
    - People potentially liable for charges.
    - Rooms potentially needing invoice.
    - Waivers approved.
    - Invoices to be confirmed.
  24. Until historic data has been matched, reconciled and processed within the finance system, we are unable to provide reporting on the four above metrics. This will impact up to four reports in June. However, a bridging report will be supplied during this transitional period.
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