Central Otago District Council boosts efficiency and compliance with Xtracta

Central Otago District Council (CODC) manages a high volume of supplier invoices each month, requiring accuracy, compliance, and efficiency in its finance operations. With the Council's transition to the MAGIQ Cloud ERP system, existing data extraction tools proved unstable and incompatible with modern authentication methods. To ensure seamless invoice processing and future-proof its operations, CODC turned to Xtracta's AI-powered automation.

By leveraging Xtracta's AI-driven automation, Central Otago District Council has streamlined invoice processing, reduced manual workload, and enhanced operational efficiency. The case exemplifies the transformative impact of intelligent document processing in local government settings—freeing finance teams to focus on higher-value tasks while ensuring accuracy and compliance.

Like many councils, CODC recognised the potential to streamline manual and semi-automated invoice processing. The finance team was responsible for handling around 1,000 invoices each month, with spikes during annual payment cycles.

Its previous extraction tool required ongoing maintenance, was unreliable, and could not support modern authentication tokens after the Council migrated to MAGIQ Cloud. Staff also struggled with the system's limited learning capability, which meant that diverse invoice formats often required manual workarounds and repetitive rule-building.

Helen Hanson, Business Improvement Specialist, recalls the frustrations of the old approach: "In the old system, I had to quite often build new regular expressions to force invoices through. With Xtracta, it's a lot smoother, and the system learns as well."

The lack of adaptability in the legacy tool increased the effort for finance staff and introduced risks related to compliance and audit requirements

Harnessing Xtracta's automation and compliance checks

CODC implemented Xtracta, recommended by MAGIQ's account team and validated through positive peer reviews from other councils. The new system introduced AI-powered learning that continuously improves recognition of diverse invoice formats, reducing errors and the need for manual intervention. Integration with MAGIQ Cloud was seamless, with invoices processed through Xtracta and automatically populated in MAGIQ, including metadata and PDF copies.

The Council also customised Xtracta to perform compliance checks before invoices flowed into MAGIQ, validating bank accounts, purchase orders, and other key fields. Helen explains, "We've written code so that Xtracta flags fields red or green if they don't match". Basically, it should come up all green, and then the operator just pushes go."

This ensured that invoices were processed efficiently and met strict audit and procurement requirements. Vendor support was responsive throughout the implementation, with Xtracta working closely with both CODC and MAGIQ to tailor fields and workflows. The transition was so smooth that most staff were unaware a system change had taken place, as finance operations continued uninterrupted.

Unlocking efficiency, resilience, and future readiness

By adopting Xtracta, CODC has realised significant improvements in efficiency, compliance, and staff satisfaction. Invoices now flow automatically, with operators reviewing only exceptions, reducing manual workload and freeing staff to focus on higher-value tasks

The system's stability has eliminated maintenance burdens, while its cloud-based design ensures ongoing updates without disruption. Staff can now process invoices remotely, supporting flexible work arrangements and resilience in the event of

You always put technology aside. It's about the people supporting it. Xtracta has been really good to deal with."

Nathan McLeod,
Chief Information Officer

disruptions such as COVID-19.

Compliance has also been strengthened, with automated checks ensuring that purchase orders are valid and that bank details match, reducing the risk of errors or fraud. Finance staff report fewer frustrations, while leadership values the strong vendor relationship and responsive support.

Looking ahead, CODC is preparing for central government's eInvoicing initiative, which Xtracta is already equipped to support. Governments are increasingly pushing eInvoicing to improve operational efficiency, enhance financial transparency, and curb tax evasion. The associated benefits extend to both public authorities and private businesses, primarily through cost savings, faster processing, and better data accuracy.

Nathan sees this as another step forward: "eInvoicing is about streamlining the process even more. It enables us as a payer and the people invoicing us to work more efficiently."

As Helen sums up, the project has delivered both practical and strategic benefits: "The support we got during the project was really good. Every time we asked for something, it was done."

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Business Analyst at Central Otago District Council