Xero MCP Learnings 27 August 2025

# Architecture

1. Run the API first
2. This establishes OAuth
3. Followed by Company selection for 30 minutes

Then via Claude Desktop

1. CD utilises (1,2,3) to connect MCP
2. Then ask your questions

Questions require queries to be prebuilt that MCP runs to pull the data for analysis. There is no limitation to creating queries, but it makes sense to anticipate the main queries that might be needed and prebuild those. Currently we have these built:

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| Ref | **Tool/Endpoint** | **Purpose** | **Use Case** |
| 1 | test\_rac\_connection | Health check and connection status | Verify API connectivity and see which entities are connected |
| 2 | get\_organizations | List connected Xero entities | Check active/expired connections across RAC portfolio |
| 3 | get\_trial\_balance | Individual entity trial balance | Analyze balance sheet structure and verify debits = credits |
| 4 | get\_consolidated\_trial\_balance | Multi-entity consolidated view | Portfolio-wide financial position analysis |
| 5 | get\_cash\_position | Bank account balances | Monitor liquidity across entities |
| 6 | get\_outstanding\_invoices | Unpaid customer invoices | Track receivables and cash flow timing |
| 7 | get\_journal\_entries | Manual journal entry analysis | Find unusual or large manual postings |
| 8 | analyze\_equity\_movements | Equity account transaction history | Track changes in capital/retained earnings |
| 9 | get\_account\_history | Detailed account transaction log | Investigate specific account movements |
| 10 | check\_bank\_reconciliation | Compare trial balance vs bank feeds | Identify discrepancies between books and banks |
| 11 | find\_unbalanced\_transactions | Locate problematic journal entries | Find entries causing trial balance issues |
| 12 | get\_chart\_of\_accounts | Complete account structure | Analyze account setup and identify unusual accounts |
| 13 | investigate\_imbalance | Comprehensive imbalance analysis | Automated diagnosis of trial balance problems |
| 14 | compare\_periods | Period-over-period comparison | Track changes between reporting dates |

1. The process of query is

Ask a question of CD

CD Runs a prebuilt query such as those above or below  
CD Responds out of that data

I asked Claude what else should we build – it suggested the following

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|  | **Suggested Tool** | **Purpose** | **Business Value** |
| 15 | get\_profit\_loss\_summary | P&L analysis by entity/period | Revenue and expense monitoring |
| 16 | analyze\_cash\_flow | Cash flow statement generation | Predict liquidity needs |
| 17 | get\_aged\_receivables | Customer payment aging | Identify overdue accounts |
| 18 | get\_aged\_payables | Supplier payment aging | Manage payment timing |
| 19 | analyze\_expense\_categories | Expense breakdown and trends | Budget variance analysis |
| 20 | get\_intercompany\_transactions | Cross-entity transaction analysis | Consolidation and compliance |
| 21 | check\_gst\_reconciliation | GST calculation validation | Tax compliance verification |
| 22 | get\_budget\_variance | Actual vs budget comparison | Performance monitoring |
| 23 | analyze\_customer\_concentration | Top customer revenue analysis | Risk assessment |
| 24 | get\_financial\_ratios | Key financial ratio calculation | Performance benchmarking |
| 25 | track\_recurring\_revenue | Subscription/recurring income analysis | Revenue predictability |
| 26 | analyze\_seasonal\_trends | Monthly/quarterly pattern analysis | Forecasting support |