

The Consultant & Practice Standards

Module 2, Part 1 — Professional Attributes, MAS Practice Standards, and Applications in the Philippine Setting

C-AE24 Strategic Business Analysis

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Module 2 Overview

Learning Outcomes

1

Professional Attributes

Describe the essential skill dimensions required of management consultants.

2

Practice Standards

Discuss the foundational practice standards that govern MAS engagements.

Module 1 Review

Building on the Foundation



Module 1 introduced **Management Advisory Services (MAS)** and the CPA's role as a strategic advisor.

MAS is forward-looking, analytical, and focused on improving organizations.

Next, we'll look at the qualities and rules that guide MAS practitioners.



Professional Attributes of Consultants

Effective MAS delivery requires four interconnected skill dimensions that go far beyond technical knowledge alone.

Technical Skills

Interpersonal Skills

Project Management

Analysis Skills

Technical Skills



Technical competence forms the **domain-specific base** of an engagement — requiring both theoretical understanding and proven operational experience.

- Enterprise Resource Planning (ERP) & IT systems
- Modern marketing strategies
- Engineering processes
- Macro/micro organizational behavior models

In the Philippine context, this enables consultants to design sound architectures for digital adaptation, corporate scaling, and logistics tracking.

Interpersonal Skills

Encompassing emotional intelligence, psychological frameworks, and communication matrices needed to build rapport and drive collaborative change.



Core Personal Attributes

Intelligence, integrity, objectivity, empathy, maturity, and psychological equilibrium.



Relationship-Building

Building trust, questioning effectively, listening, negotiating, and presenting across verbal, written, and visual channels.



Mitigating Barriers

Spotting and bypassing communication blockages — resistance to change, prejudice, information overload, and technical language gaps.

Core Personal Attributes — A Closer Look

The Four Pillars of Personal Integrity



Intelligence & Judgment

Logical thinking, objective reasoning, and timely decision-making.



Integrity & Objectivity

Maintaining honest, unbiased, and independent professional stances.



Human Relations & Empathy

Aligning diverse stakeholders to achieve corporate objectives cooperatively.



Maturity & Equilibrium

Psychological and physiological stability in high-stress client environments.

Communication Barriers

What Blocks Effective Consulting?

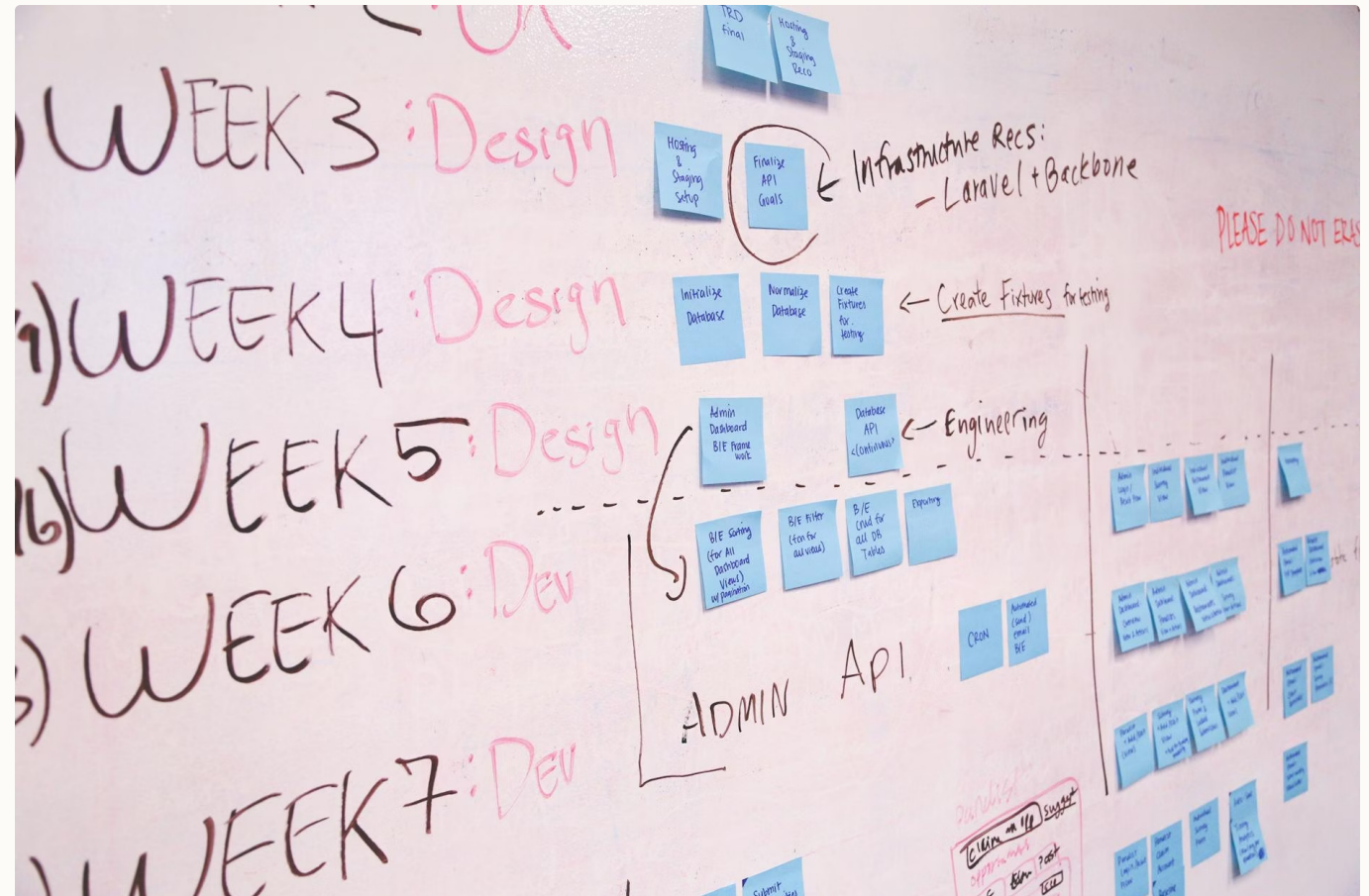
Consultants must identify and bypass communication blockages within the client's workforce to ensure recommendations are understood and acted upon.

Project Management Skills

Advisory solutions are bound by **finite resource thresholds**.

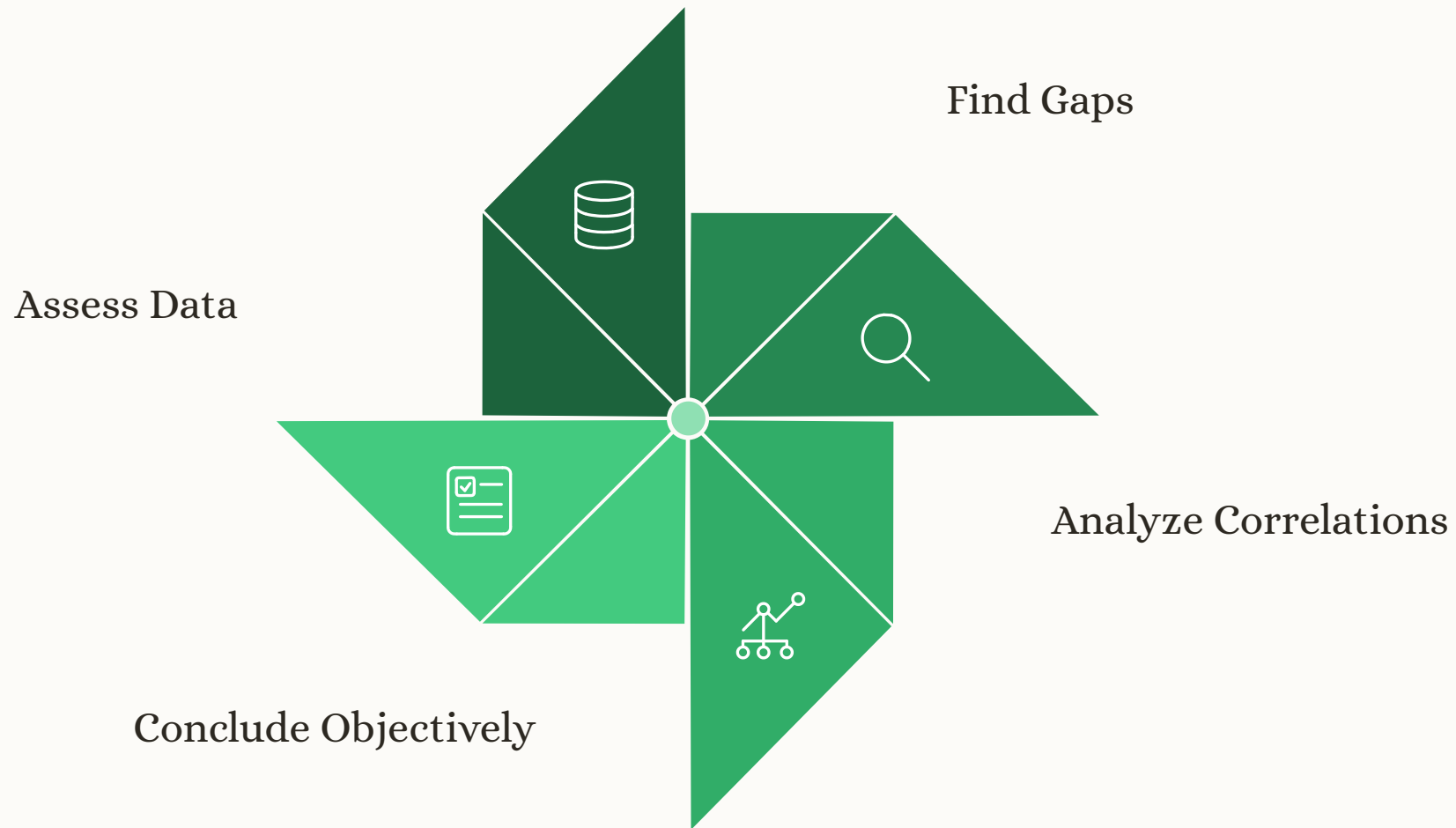
Project management transitions a conceptual recommendation into a structured, monitored corporate reality.

- Defining outcomes and comprehensive project blueprints
- Establishing task priority matrices
- Managing personal time and human capital allocation
- Tracking financial budgets deployed into the project



Analysis Skills

Analysis skills provide the **raw diagnosis** that validates an engagement's direction — distinguishing objective structural data from corporate assumptions.



This includes diagnosing the firm's internal matrix (Strengths, Weaknesses) and mapping it against the external horizon (market trends, competitive challenges, and environmental shifts).

Analysis in Practice

Internal & External Diagnosis

Internal Matrix

- Strengths & weaknesses
- Operational capabilities
- Internal decision-making habits
- Financial metrics & viability

External Horizon

- Market trends
- Environmental adjustments
- Competitive challenges
- Industry benchmarks



MAS Practice Standards

To safeguard public interest and ensure high-quality delivery, MAS practitioners follow eight standards promulgated by the **AICPA's Management Advisory Services Division**.

MAS Standards: First Four

1

Personal Characteristics

Act with integrity, objectivity, and independence in mental attitude.

2

Competence

Possess competence in both the analytical approach and the technical subject matter.

3

Due Care

Exercise due professional care throughout the engagement.

4

Client Benefit

Notify the client of any reservations regarding anticipated benefits before accepting.

MAS Standards: Final Four

1

Understanding with Client

Inform the client of all significant matters related to the engagement before undertaking it.

2

Planning, Supervision & Control

Engagements must be adequately planned, supervised, and controlled.

3

Sufficient Relevant Data

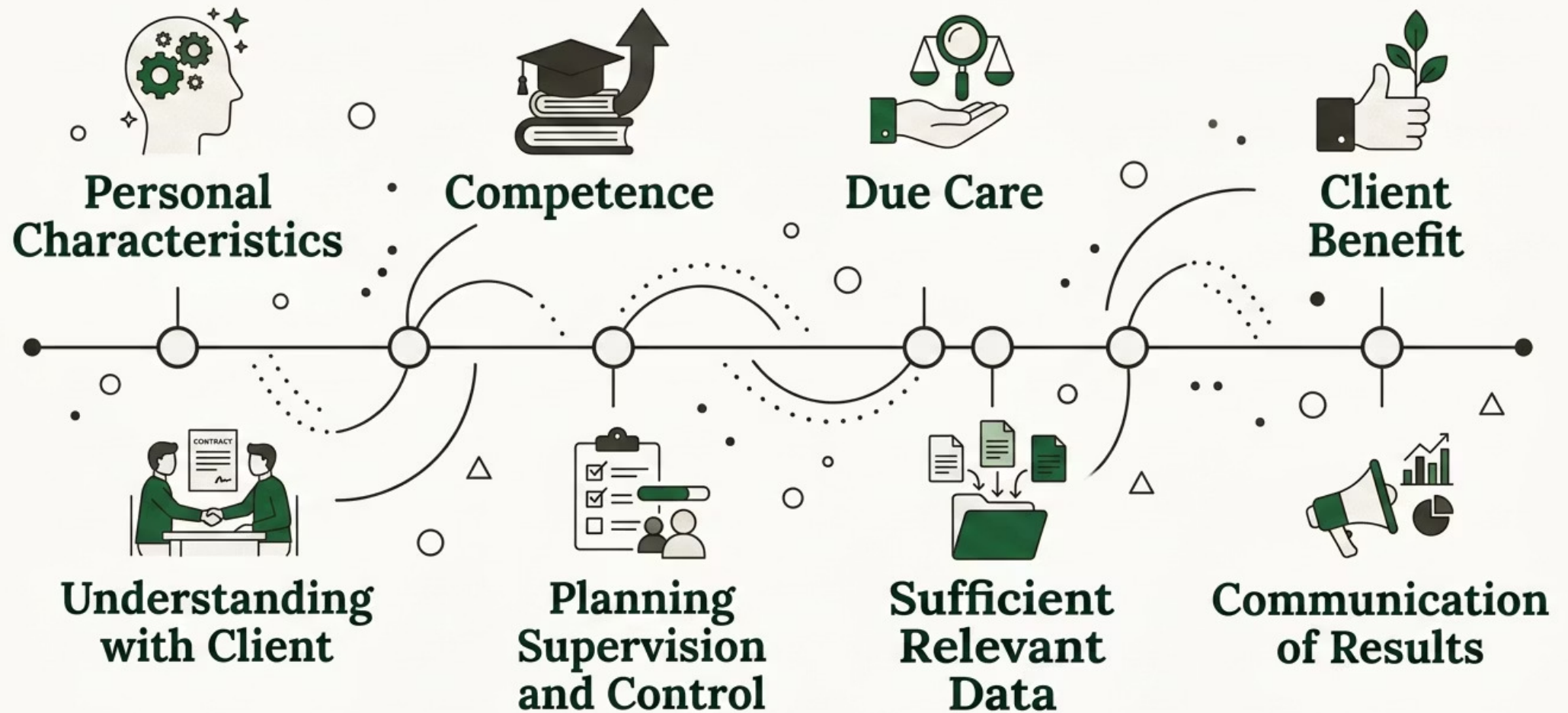
Obtain, document, and evaluate sufficient relevant data to develop conclusions.

4

Communication of Results

Communicate all significant matters relating to engagement results to the client.

All Eight Standards at a Glance



These eight standards collectively ensure that MAS engagements are planned diligently, executed with sufficient data, and delivered with utmost integrity.

MAS Practice Standards

Standard 1: Personal Characteristics



Integrity

Be honest, transparent, and fair.
Put the client's best interest first.



Objectivity

Use facts and evidence. Keep judgment free from bias or outside pressure.



Independence in Mental Attitude

Stay free from conflicts of interest. Make judgments independently and impartially.

Standard 2: Competence

Analytical Competence

Use structured, evidence-based problem-solving to make sound recommendations.



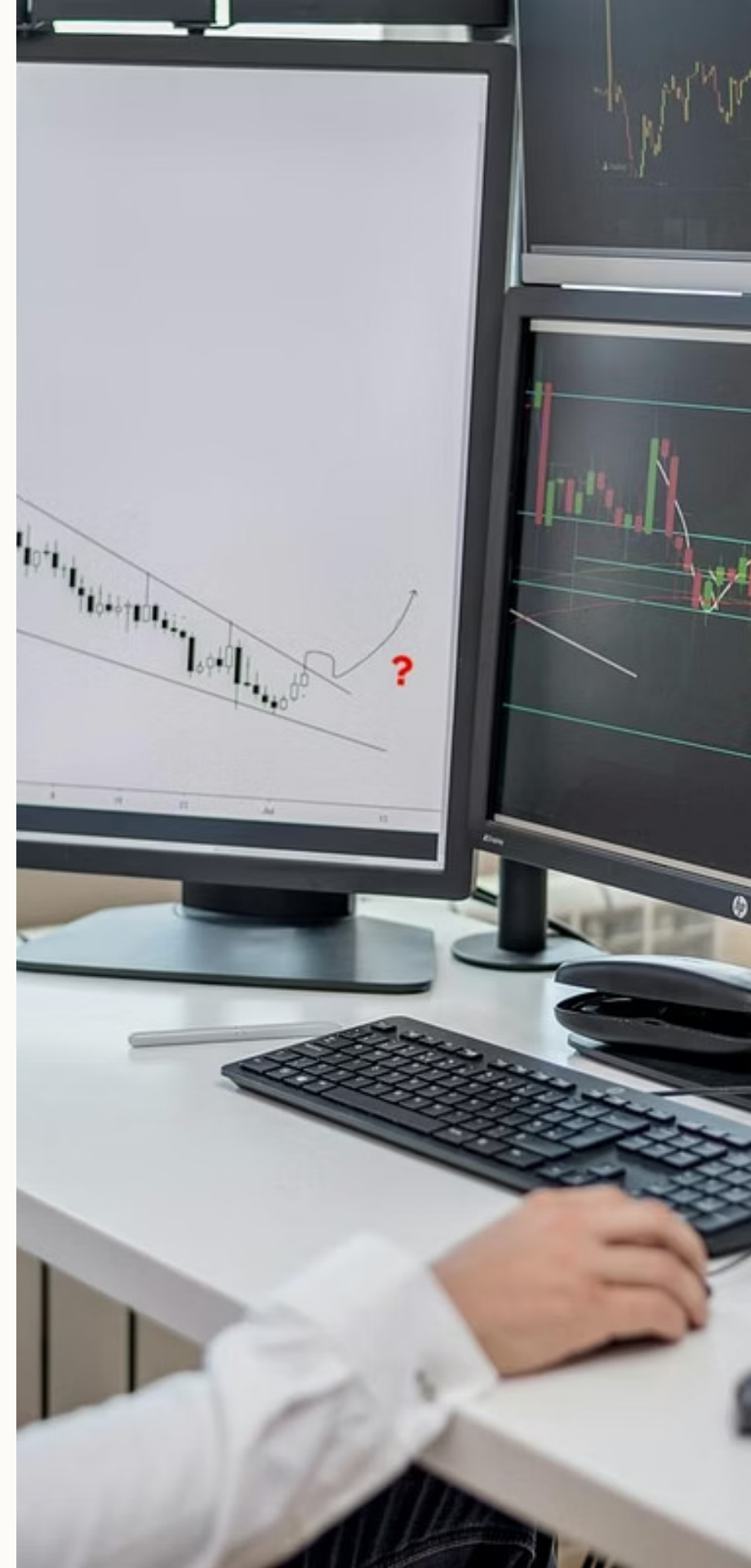
Technical Competence

Have the subject-matter expertise needed for the specific engagement.

Accept only work within your competence; otherwise, decline or bring in qualified specialists.

The Risk of Incompetent Advice

Poor judgment can cause client losses, reputational harm, and legal exposure, so keep skills current through ongoing professional development.



Standard 3: Due Care

01

Meticulous Planning

Define scope clearly, align on objectives, and identify key risks early.

02

Diligent Execution

Follow agreed procedures carefully, verify data thoroughly, and document work consistently.

03

Accurate Reporting

Present findings clearly, objectively, and only when supported by sufficient evidence.

Due care also requires professional skepticism: question assumptions and verify information before drawing conclusions.



Consequences of Negligence

Negligence can harm clients, damage reputation, and create legal liability.



MAS Practice Standards

Standard 4: Client Benefit

Genuine Benefit Assessment

Take on work only if it creates real value for the client.

Identifying Reservations

Flag concerns early, including feasibility, cost, scope, or outcomes.

Pre-Engagement Disclosure

Share all reservations before accepting the engagement.

Upholding Professional Integrity

Be honest, even if it means declining the work.

Standard 5: Understanding with Client



Pre-Engagement Dialogue

Confirm scope, objectives, deliverables, timeline, fees, and responsibilities before starting.



Documentation is Essential

Verbal agreements are not enough and often lead to scope creep or disputes.



Formalizing the Agreement

Use an engagement letter or written agreement to lock in expectations.



Continuous Updates

Flag any significant changes to the engagement as soon as they arise.

MAS Practice Standards

Standard 6: Planning, Supervision & Control

Planning

Set the scope, assign the right people, and map the work upfront.



Supervision

Oversee the team, review output, and keep quality on track.



Control

Monitor progress, fix deviations fast, and keep the engagement on course.



Standard 7: Sufficient Relevant Data

Sufficient means enough to support the conclusion.

Relevant means tied directly to the engagement.



Obtain Data

Gather current, reliable information that directly addresses the engagement.



Document Data

Record sources, methods, and key details clearly.



Evaluate Data

Check the data for accuracy, completeness, and relevance.



Conclude & Recommend

Base recommendations only on verified findings.

Standard 8: Communication of Results



Core Deliverables

Communicate findings, conclusions, recommendations, and key limitations clearly.



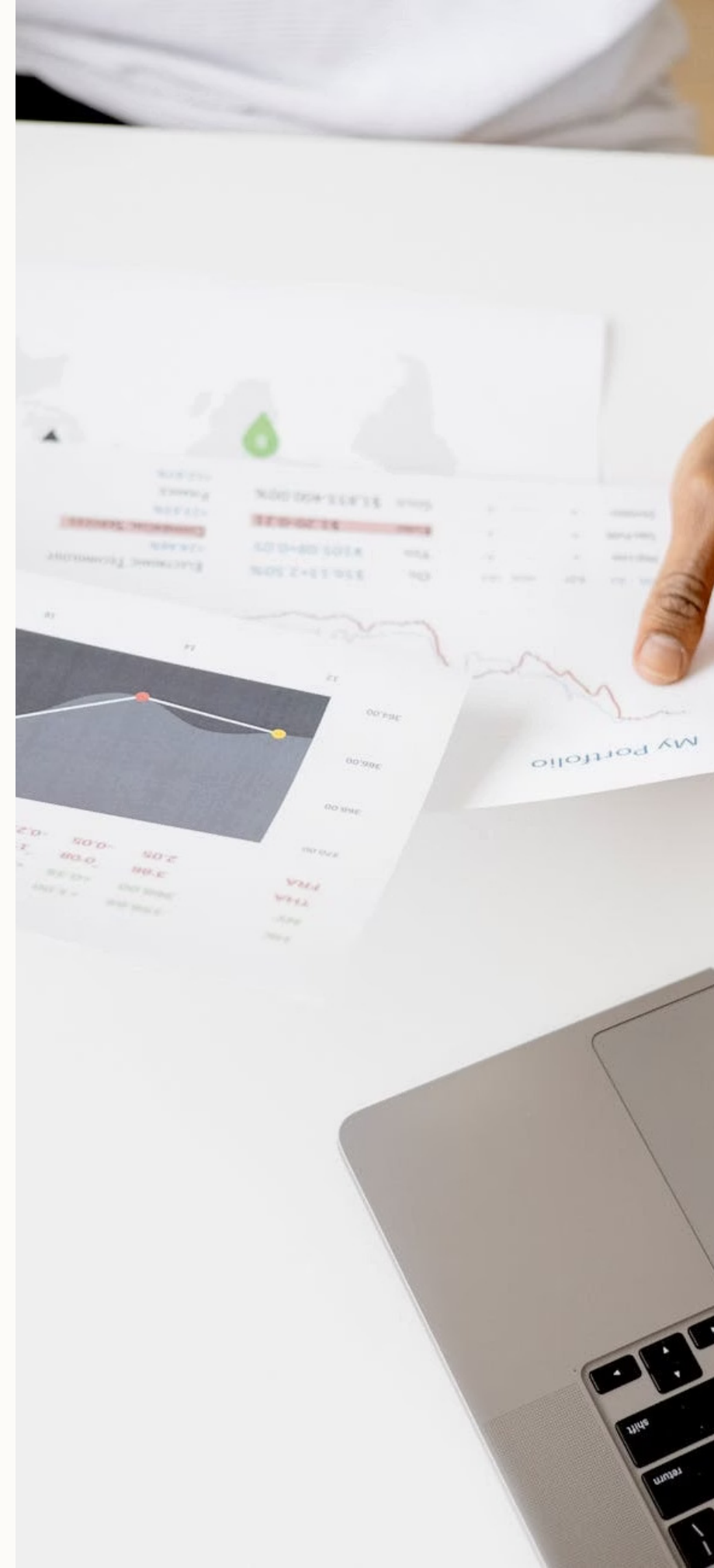
Effective Delivery

Use the right format—report, presentation, summary, or letter—tailored to the audience.



Integrity & Follow-Up

Report all results honestly, including unfavorable ones, and confirm the client understands them.



Philippine Context

Navigating Culture



Filipino consultants must navigate unique cultural dynamics while upholding professional standards.

Pakikisama

Smooth interpersonal relations — build trust culturally.

Utang na Loob

Debt of gratitude — must not compromise objectivity.



Cultural sensitivity builds trust — but professional independence must never be compromised by cultural norms.

While pakikisama and utang na loob are integral to Filipino corporate culture, the MAS practitioner's objectivity and independence remain non-negotiable professional obligations.

Part 1 Summary

Key Takeaways

Beyond Technical Knowledge

Great consultants blend technical expertise with high emotional intelligence.

Standards Ensure Quality

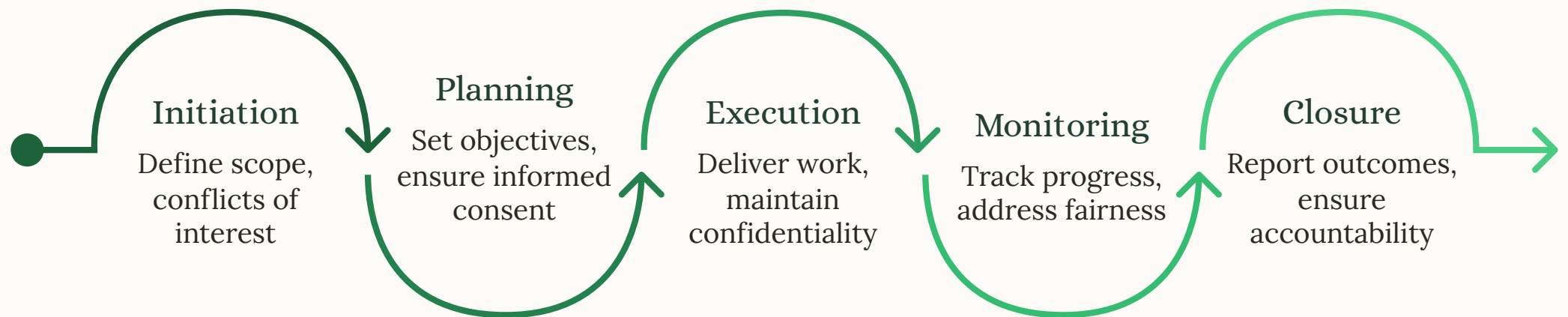
Eight MAS standards guarantee diligent planning, data-driven execution, and integrity.

Local & Global Credibility

Upholding ethics in culturally complex environments builds lasting professional trust.



Stages in Consultancy Engagements & Ethical Considerations



The next part shifts focus to the specific stages of a consultancy engagement and the ethical considerations that arise throughout each phase of the project lifecycle.

Reflection Question 1

Why does independent mental attitude matter as much for MAS as for auditing?

- ① Just as an external auditor must remain free from bias to issue a reliable opinion, an MAS consultant must maintain independence to ensure recommendations serve the client's best interest — not personal or relational pressures.

Reflection Question 2

How can a Filipino CPA balance pakikisama with delivering objective, sometimes harsh, business truths?

- ❑ Cultural sensitivity can guide *how* feedback is delivered — with respect and empathy — but the *substance* of the advice must remain grounded in objective data and professional ethics, never softened to the point of distortion.

Reflection Question 3

Which standards apply when an engagement's scope expands unexpectedly?

→ Standard 5 —
Understanding with
Client

Immediately inform the client of newly discovered significant matters affecting scope.

→ Standard 6 —
Planning,
Supervision &
Control

Revise the project plan to accommodate the expanded scope with proper controls.

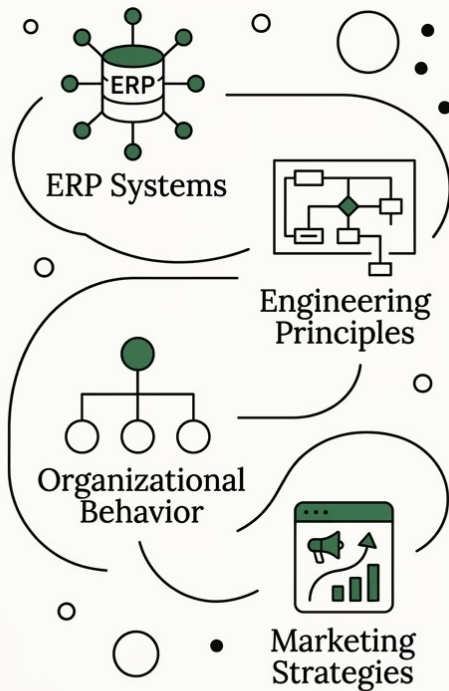
→ Standard 7 —
Sufficient Relevant
Data

Ensure newly discovered data is obtained, documented, and evaluated before proceeding.

The Consultant:

Technical vs. Interpersonal Skills

TECHNICAL SKILLS



INTERPERSONAL SKILLS



Neither skill set alone is sufficient. The most effective MAS practitioners integrate **domain expertise** with **human-centered communication** to translate complex analysis into actionable client decisions.

Connecting the Dots

Attributes → Standards → Outcomes



Professional attributes and practice standards are not separate concepts — they reinforce each other to produce consistently high-quality MAS engagements.

Coming Up Next

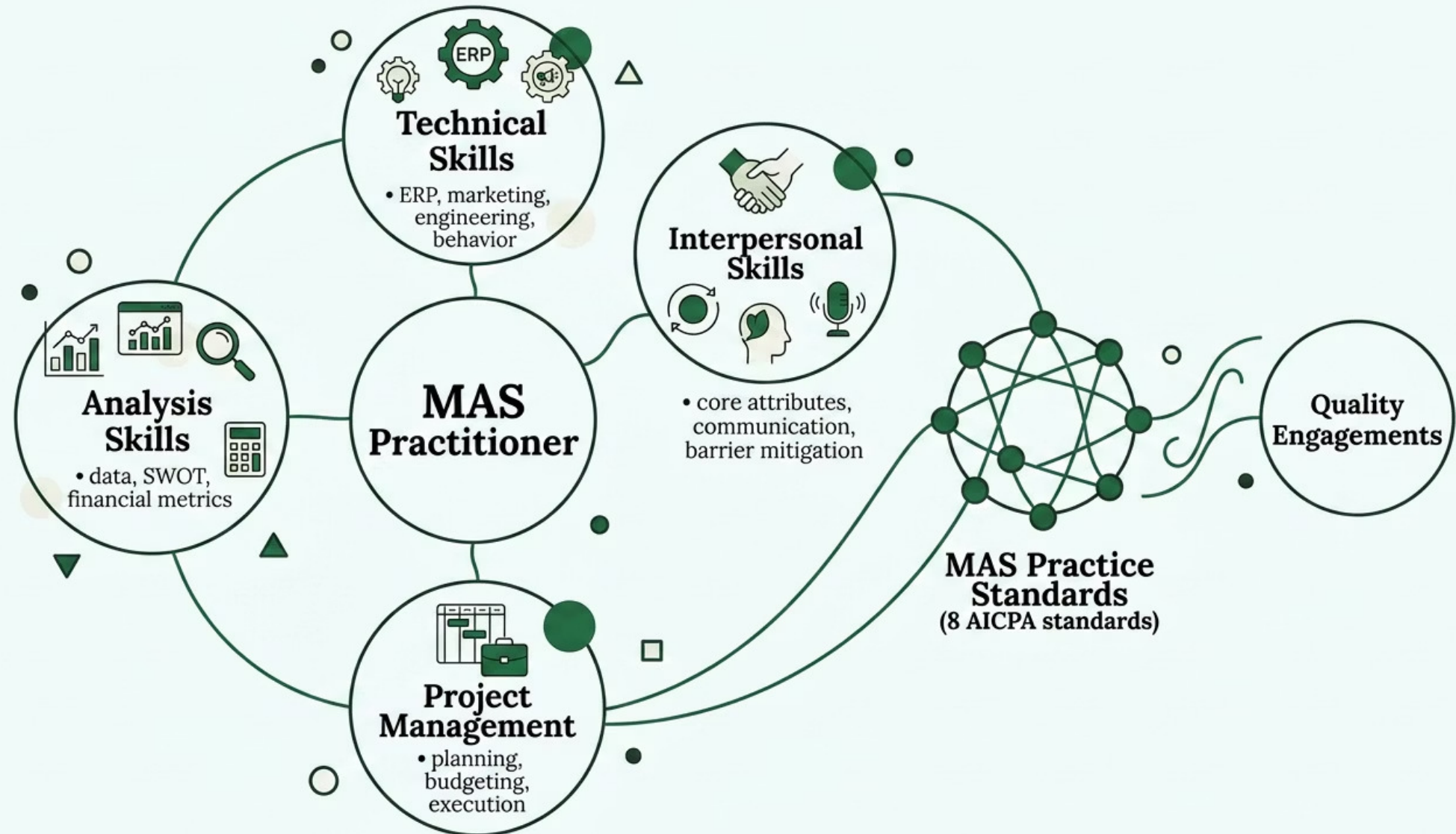
Ethics in a Cultural Context

How do MAS practitioners navigate the pull of **pakikisama** and **utang na loob** without compromising professional ethics?

In the next part, we'll explore where cultural values can support trust — and where they can create real tension.

When respect and obligation collide with standards, what should guide the decision?

Concept Map



Module 2, Part 1 — Complete

A great MAS consultant combines **technical mastery**, **emotional intelligence**, **project discipline**, and **analytical rigor** — all governed by eight AICPA practice standards that ensure integrity, client benefit, and quality outcomes in every engagement.

UP NEXT: STAGES IN CONSULTANCY ENGAGEMENTS

ETHICAL CONSIDERATIONS

