

# Work Plan & Methodology



## Streamlined process. Delivering results.



We follow a tried and tested methodology that has been vastly successful in helping our clients achieve both their reporting as well as financial goals. Our methodology has been tailored based on our experience in the domain as well as the requirements of our clients.

### **Collection Of Information & Data**

We propose to commence the work by collecting information from you about the existing Gratuity and Accumulated Leave Encashment. You will be required to provide Armstrong International Consultants copies of earlier actuarial valuation reports and relevant documents that were used to perform valuation in the preceding year. We will provide a data request questionnaire/format, seeking details of individual employees, such as date of birth, date of joining, salary and/or pension details etc and details also of funding, copy of audited trust balance sheet and income and expenditure account in Microsoft Excel format. You will be required to provide the individual employee data in Microsoft Excel format to Armstrong International Consultants. On receipt of the data, we will further check and validate data by applying various checks on the data provided. If at any point the data

is insufficient, you would be asked to provide the additional data to Armstrong International Consultants as may be necessary after rectifying noticed irregularities/inadequacies.

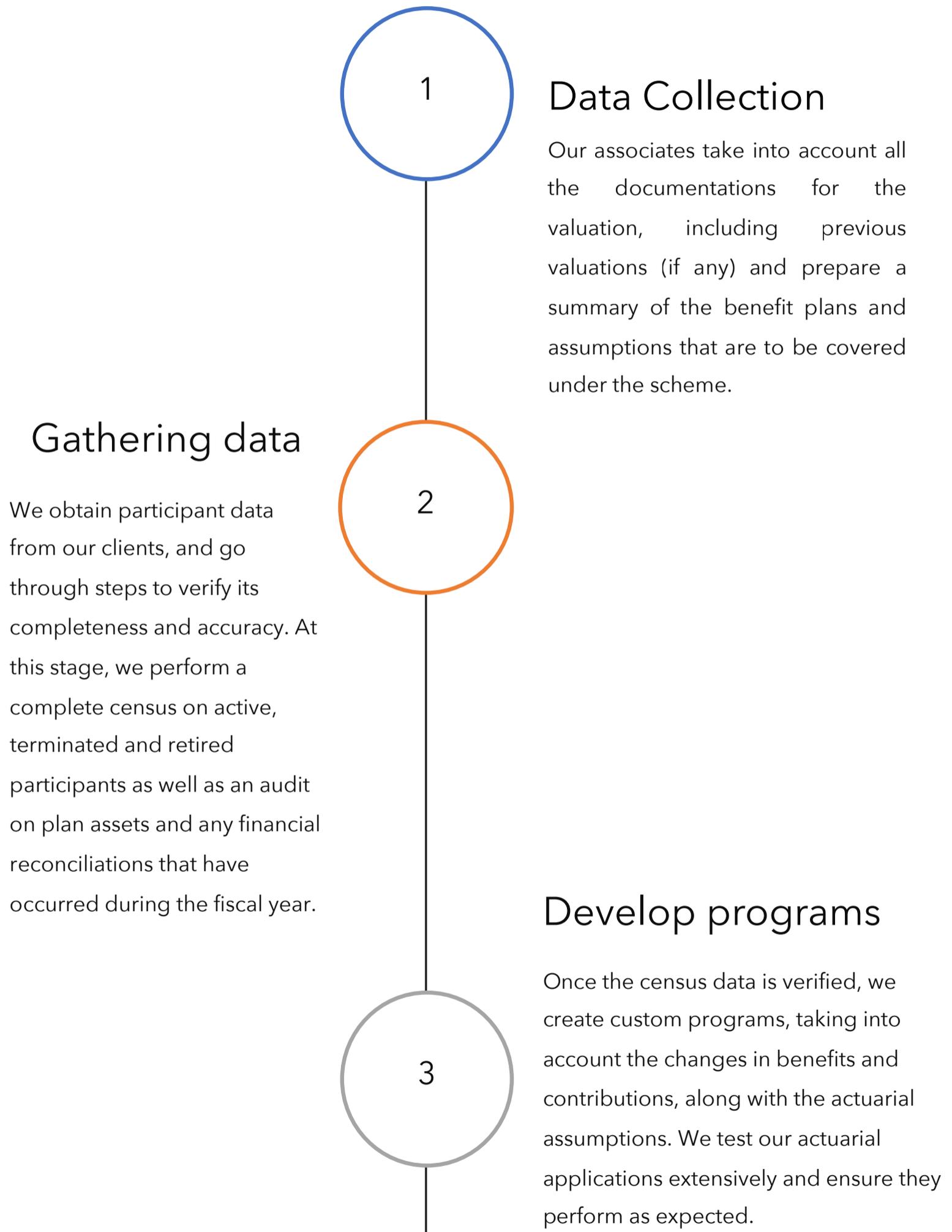
## **Finalising Actuarial Assumptions**

In the next step, we would need to finalise the assumptions such as rate of discounting, rate of salary escalation, rate of employee turnover, rate of mortality and annuity rate. In this phase, we will analyse the data of the current term as well as pass term if available with is, and also factor in industry specific outlook and growth prospects. It is also pertinent to look at global as well as country specific developments in order to capture the prevailing economic climate for deciding upon the actuarial assumptions. If required, we can initiate discussion on setting assumptions with the management team and audit committees of our clients, and take into account any specific inputs they may provide before deciding on the final assumptions .

## **Draft Reports of Valuation**

Once the assumptions are finalised, we will proceed with the valuation process at our end. A "Draft" Actuarial Valuation Report will be provided to each legal entity mentioning the necessary disclosures as required under the accounting. A draft funding valuation report also will be made available to the Trust. Final report will be issued immediately on confirmation from the client and the actuary will be ready for a discussion on the report any time as requested by the client at his office at very short notice

# WORK PLAN FLOW



## Reviewing assumptions

At this stage, we assess trends and patterns developing in the data set, and take into account the actuarial gains and losses that have occurred since the previous valuation. If required, we discuss any unusual behavioral patterns with the stakeholders.

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## Finalizing the Actuarial calculations

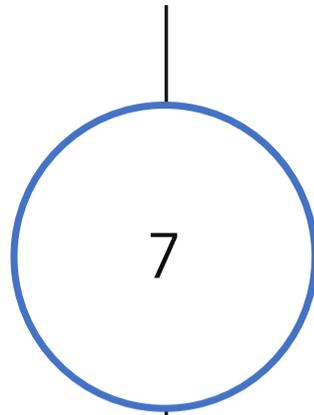
Once the assumptions are finalized, we run final versions of our computer applications, and with the data prepare tables and populate work sheets. Once these are completed, we manually verify the calculations with a checker to ensure strict compliance.

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## Reviewing Valuations

After the calculations are completed, the entire process is reviewed by our senior actuary - including the census data, the financial assumptions, the programs and the calculations - to ensure correctness of the actuarial results.

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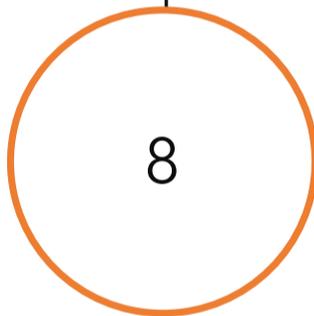


## Preparing the report

The data and figures we calculated are then converted into a presentable form, that helps our clients understand the scope of the actuarial valuations as well as get a bird eye view of the results arising out of the valuations.

## Presenting the report to you

We then present the actuarial valuation report to our clients and their stakeholders, and if necessary, account for any changes. If our clients wish to discuss further about the reports, we schedule a meeting in order to assist them in all aspects of actuarial valuation.



# THANK YOU

## ARMSTRONG INTERNATIONAL CONSULTANTS

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