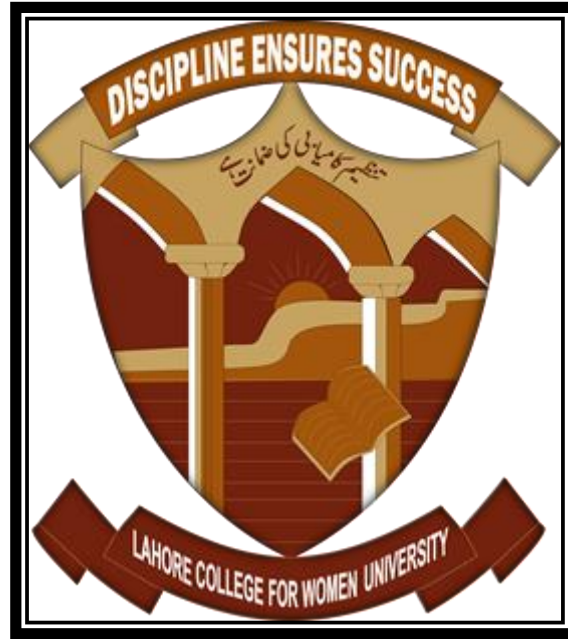


Internship report

ACCOUNTING PRACTICE AT FRESENIUS MEDICAL CARE

AMNA KHAN 1923109003



Prepared For:

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Session: 2019-2023

“Department Of Management Sciences”

Fresenius Medical Care Pakistan (PVT.) Limited



Pakistan (PVT.) Limited

Submitted By:

Amna Khan

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LETTER OF TRANSMITTAL

22-June-2022

To,

Mam Sobia Nisar

Subject: Submission of Internship report on Accounting Practice at **Fresenius Medical Care Pakistan (PVT.) Limited**

Respected Ma'am,

This is my pleasure to present my internship report. This report is an outcome of the internship program that I have involved for **1 ½ month (Six weeks)** in **Fresenius Medical Care Pakistan (PVT.) Limited**. I have tried my best to prepare this report with providing all of my effort and to cover all aspects regarding the matter.

Consequently, I am transmitting this report to your very concern. Hopefully, you will notice the report informative approach as a hallmark of my hard work. In case of any future clarification or elaboration regarding this report I would welcome the opportunity to consult with you to explore how my findings could best meet your needs.

Sincerely yours,

Amna Khan

1923109003

ACKNOWLEDGEMENT

I want to acknowledge and most grateful to almighty **Allah**, the most merciful blessing me with patience and tenacity of mind to complete the Internship report which requirements for the degree successfully. Special Thanks to my **Parents**, who always support me in every step as well as in studies.

Then, I specially want to acknowledge the management at Fresenius Medical Care Pakistan (PVT.) Limited for their tremendous support, guidance and patience. Without their kind supervision, preparing this report would be very difficult. I am also thankful to them for providing me all the relevant and available information to have a clear concept on the subject. My heart full thank to all Fresenius staff who enabled me to complete this assignment. They provide me the guidance and counseling during my entire internship program. Their continuous and well-thought feedback enabled me to make this report a comprehensive one.

I would like to express my sincere gratitude to my internship supervisors in the finance department for their constant guidance, supervision and feedbacks which enabled me to prepare a well-executed report.

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Executive Summary

Fresenius Medical Care Pakistan (PVT.) Limited is a house of quality medical equipment and Kidney diagnostic reagent. The company import Kidney dialysis machines and accessories and distribute all over the World. Mainly, the machineries are imported from **Germany** and other products are made in different countries where they have established their production units. The major clients of the company are from public and private sector Hospitals, Kidney dialysis center and rests of the clients are physicians and patients too. They are giving their products of dialysis as well as services. The main dialysis machine is installed by their marketing team. Their team of all relevant departments get training on multinational basis.

Fresenius Medical Care Pakistan (PVT) Limited head office is consist of 10 main departments which are dealing with all business strategies. In Pakistan, they have 3 main branches which are divided by central, south and north branches in which head office in Lahore, Rawalpindi and Karachi office branches are include. This report aims toward providing an overview on all departments of Fresenius Medical Care Pakistan (PVT.) Limited. While preparing this report it has been tried to reveal the insights of the Departments & performance analysis of the organization.

I have made a SWOT analysis and Marketing Mix to figure out some of the finding regarding the performance of Fresenius Medical Care Pakistan (PVT.) Limited. I did work on account receivables in which they teach me how to do account reconciliation. There are ~~61~~many controls under which company is performing their tasks. Their procurement process in public sectors and private sectors are mentioned in the report. The financial analysis of Fresenius SE & Co. KgaA is also added to the report.

Origin of the Report

Internship program is the most significant stage for a B.COM student. The length of internship program is more than 6 weeks, which carries a greatest learning technique to know about the business at local and multinational stages and cope up the environment in such a way like trained & highly skilled employees. The experience that got by an intern during the internship period will make more elegant and professional in their future job sector. I was started my internship at Fresenius Medical Care Pakistan (PVT) Limited, Head Office, from 17 June. The internship report focuses on activities in Fresenius Medical Care Pakistan (PVT.) Limited.

This report describes the philosophy and wider vision of Fresenius Medical Care along with its key marketing standards for its products as well as the strategies to satisfy its customers in a competitive era. This report discusses all the major aspects regarding the origin of the company along with its market standing, corporate profile vision and mission, core values and management system. This report also provides a full fledged overview of the financial analysis of the company and describes its comparative position through financial years

Introduction

Fresenius Medical Care Pakistan is the wholly owned subsidiary of Fresenius Group and an affiliate company of Fresenius Medical Care, Germany. They are operating in **Pakistan** directly since **2007** and are the local market leader. Fresenius Medical Care is the global leader in the field of kidney dialysis products and services. Fresenius Medical Care Germany is the largest company in the segment employing around **110,000** employees operating in around **140** countries of the world. **Fresenius SE & Co. KGaA** is health care company based in **Bad Homburg vor der Höhe, Germany**. It provides products and services for dialysis, in hospitals and inpatient and outpatient medical care. It is involved in hospital management and in engineering and services for medical centers and other health care facilities. In March 2022 it announced plans to merge with InterWell Health and Cricket Health to form a new company, which will operate under the InterWell Health brand, focused on services for the earlier stages of kidney disease.

“The company is ranked 258th on the Forbes Global 2000”

History

The company was founded by Eduard Fresenius in **1912**. In 1946, **Mr** Fresenius died. **Dr.** Else Kröner, his foster-daughter and protégée, who was still in pharmacy school at the time, inherited the company. Else Kröner rescued the company from significant debts by laying off the majority of staff and restructuring the business. Kröner died in 1988. Kröner’s will left all of her assets to the Else Kröner-Fresenius-Foundation, which funds medical research.

- In 1966, the company began to sell **dialysis machines**. In 1982, the company converted to a joint stock company. In 1983, the company began producing **polysulfone fiber membranes**.
- In 1986, the company became a public company, listing shares on the **Frankfurt** Stock Exchange.
- In 1996, the company merged its dialysis business into **National Medical Care** to form **Fresenius Medical Care**. Which was top listed medicine company in Germany at that time which was owned by Fresenius. The share ratio of Fresenius Medical care was high which was the reason that the name of company became Fresenius Medical Care after its merge.

- In 1999, the company acquired the international nutrition business of **Pharmacia & Upjohn** and merged it with **Fresenius Pharma** to form **Fresenius Kabi**.
- In 2001, the company acquired **Wittgensteiner Kliniken**, a major operator of private hospitals in Germany.
- In 2005, the company acquired **Helios**. While, in March 2005, Fresenius Kabi AG acquired **Labesfal** (Laboratório de Especialidades Farmacêuticas Almiro S.A.).
- In September 2006, Helios Kliniken acquired a majority stake in Humaine Kliniken. **HUMAINE** operates six acute and post acute care hospitals in the fields of neurology, oncology and traumatology.
- On July 16, 2007, the company completed its conversion from an Aktiengesellschaft (AG – German public limited company) to a Societas Europaea, the European Union-wide equivalent. The company changed its legal status once again on January 28, 2011, becoming a **Kommanditgesellschaft auf Aktien (KgaA – German partnership limited by shares)** with a *Societas Europaea* as a partner with unlimited liability (SE & Co. KgaA).
- In August 2008, Fresenius Kabi acquired 73.3% of **Dabur Pharma of India**. In September 2008, Fresenius Kabi acquired **APP Pharmaceuticals, Inc.**
- In October 2011, the company agreed to acquire 51% of the share capital in **Katholisches Klinikum Duisburg hospital**.
- Also in October 2011, Helios Kliniken acquired 94.7% of the share capital in **Damp Group**.
- In September 2013, Fresenius acquired **41 hospitals from Rhön-Klinikum** for €3.07 billion. In 2014, Fresenius sold its 5% stake in Rhön-Klinikum.
- In November 2014, the company announced that its **Russian partners**, Sistema and Zenitco Finance Management, agreed to terminate their joint venture agreement that had been established in April 2014. The termination was prompted by changing political and regulatory circumstances in the region.
- In January 2016, Fresenius Kabi announced that it would acquire **Becton Dickinson's** prescription drug business.

- In February 2016, Fresenius Helios acquired the **municipal hospital in Velbert**, North Rhine-Westphalia.
- In January 2017, Fresenius acquired the largest Spanish hospital group, the **Grupo Hospitalario Quirónsalud** for €5.76 billion and merged it into the **Helios Group**, establishing the biggest hospital group of Europe. In September 2017, Fresenius Kabi acquired **Merck KgaA's biosimilars business**.
- In February 2019, Fresenius Medical Care acquired **NxStage**, a US-based maker of in-home dialysis devices, for \$2 billion. Fresenius Kabi is a supplier of 0.9% Sodium chloride Injection USP diluent for use with the **Pfizer–BioNTech COVID-19 vaccine**.

Vision & Mission Statement

Vision

“Creating a future worth living. For patients. Worldwide. Every day.”

Mission

“We provide the best possible care. Sustainably in diverse healthcare systems. For a growing number of patients around the world.”

Values

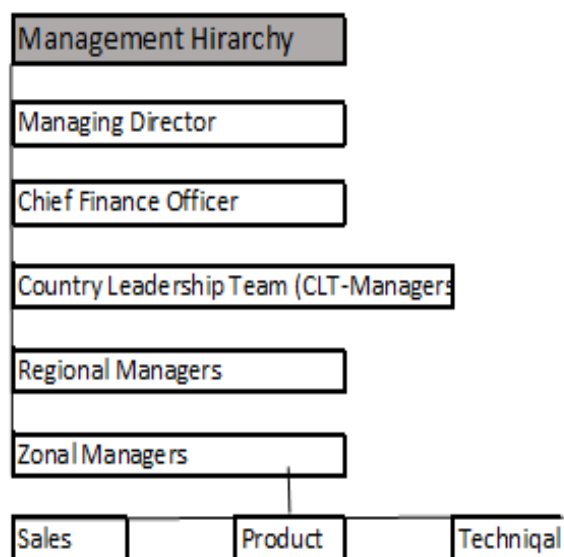


These core values will inspire, connect and unite us – everyone at Fresenius Medical Care all over the globe. They translate our vision into our daily work and guide all our actions, decisions and behaviors. And they help us leading Fresenius Medical Care into a successful future.

Management Hierarchy

Hierarchical management is a workplace leadership structure in which authority is assigned in ranks and employees take directions from their superiors. Employees' roles and level of authority are clearly established. A committed team of highly qualified, experienced professionals, financially sound and reputed sponsors manages the company.

Management Levels



Managerial Policies

Creating policies for the organization is an integral part of the process of planning. In order to ensure that the operations of the organization run smoothly, proper policies have to be formulated by the managers. However, a comprehensive process is involved in creating the most suitable policies for an organization. Business managers are responsible for overseeing and supervising a company's activities and employees. For this purpose, they make policies for conducting business activities smoothly in an efficient manner. Managerial policies of a company must give a complete set of instructions to the management and employees to follow a well-defined path to explore the future goals of the company.

Company policies and procedures establish the rules of conduct within an organization, outlining the responsibilities of both employees and employers. Company policies and procedures are in place to protect the rights of workers as well as the business interests of employers. Policies are established to keep workers committed with the goals of the company. Policy-based management is an administrative approach that is used to simplify the management of a given endeavor by establishing policies to deal with situations that are likely to occur.

Policies

Fresenius Medical Care provides you with information you need to perform your duties in a way that is legal and ethical. Fresenius Medical Care has developed policies and procedures (SOPs) to provide specific direction in how to conform your work to the general principles. The policies are tailored to the specific operations of each country and in accordance with each country's local laws.

Marketing Mix

Marketing mix refers to the set of actions, or tactics, that a company uses to promote its brand or product in the market and also the set of controllable variables that the firm can use to influence the buyer's response. The 4Ps make up a typical marketing mix - Price, Product, Promotion and place.

The marketing mix is about putting the right product or a combination thereof in the place, at the right time, and at the right price A set of controllable tactical marketing tools that the firm blends to produce the response it wants in the target market. The marketing mix consists of everything the firm can do to influence the demand for its product. The marketing mix revolves around the following '4Ps':

- Product
- Price
- Promotion
- Place

Product

Fresenius Medical Care is the world's leading provider of products and services for individuals with renal diseases – more than half of all dialysis patients are treated with their products. Their engineers develop high-quality equipment that continuously improve dialysis, heart, and lung therapies. From design to development to commercialization, your technical expertise will be instrumental in making sure their products and services are always best in class.

Make their products smarter, more efficient, and more resilient; create electronic and software solutions or bring in your knowledge to advance health care technology. They offer a variety of roles in engineering, such as Hardware, Electrical, and Software Engineer, and many more. By joining them, you will become part of cross-functional teams that will expand your horizons.

Fresenius Medical Care has product hierarchy of two divisions in which it operates.

1. Equipment
2. Disposables

Equipment

1. Fresenius Hemodialysis Machines-
2. RO (water treatment) system from 01 upto 80 hemodialysis machines
3. Fresenius Dialysis Chair
4. Fresenius Body Composition Monitor (BCM)
5. Fresenius Dialyzer Reprocessing unit
6. Fresenius CRRT Machine for acute Therapies

Disposables

1. All Kind of Dialyzers
2. Blood Tubing Lines
3. Fistula noodles
4. Dialysis Solutions
5. Disinfectant
6. Acute Dialysis Disposables
7. Disposables & Consumables for Partitional Dialysis

Price

The pricing strategy of the Fresenius Medical Care Corporation will focus on setting the list price, credit terms, payment period and discounts. If Fresenius Medical Care Corporation decides to choose the price penetration strategy, it will have to set the lower price than competitors. The company will be able to win market share based on discounted pricing. However, management should be aware of the potential retaliation from competitors in the form of an undesired price war.

The choice of skimming strategy will require clear communication of differentiation basis and how such differentiation justifies the extra price. Today's customers are not interested in knowing the 'price' but a total cost involved in acquiring, consuming and disposing of the product.

Place/ Distribution

Modern customers give high importance to the 'convenience' and 'easy availability'. The selection of 'right' distribution channels will require Fresenius Medical Care Corporation to:

Firstly, consider the product characteristics. Involving various middlemen to distribute perishable products will not be a wise decision if the product is perishable.

Analyze the market dynamics, customers' preferences and own resources and capabilities. If customers place high importance to personalized services and prefer shopping from traditional stores rather than online channels and firm also has enough resources to open their outlets, than distribution strategy should be set accordingly.

The competitors' distribution strategies also need to be studied. A comprehensive cost-benefit analysis of each channel and comparison with own resources and capabilities will help Fresenius Medical Care Corporation develop an effective distribution plan.

Promotion

This is one of the most important elements of Fresenius Medical Care Corporation Marketing Strategy. Fresenius Medical Care Corporation can blend above and below the line promotional strategies to achieve its marketing objectives. The above the line promotion options for Fresenius Medical Care Corporation are- television, radio and print advertising. Below the line promotion options are- catalogues, tradeshows and direct mail campaigns.

The promotional plan of Fresenius Medical Care Corporation Marketing Strategy requires the company to consider the following factors:

- Start with clearly defining your unique selling propositions and understand why customers need the product and how it is different from available alternatives.
- Craft the message content and evaluate how the crafted message will help customers in creating a clear image of the offered product. Consider the AIDA (awareness, interest, desire, action) when developing the message.
- The promotional strategies like direct selling or high profile advertising will suit if the company wants to push the product. However, the pull strategy will require the development of a prestigious brand image that could attract the customers towards the offered product.
- Collect the following target market information- who will buy the product? (Age, gender, income and social status), what is price sensitivity level? And what are customers' desired communication modes? Incorporate this information into the promotional plan.
- Filter out the promotional options based on the above information and conduct a cost-benefit analysis of selected promotional alternatives.

Organizational Structure

Fresenius Medical Care Pakistan (PVT.) Ltd does not follow traditional values. The employees are given enough responsibilities and authority to deliver their work

in particular timeline. Employee empowerment is also practiced in the company. SAP is implemented in the company. For which all relevant employees get training from experts in all over the world. Employees of all level have the opportunity to access to communicate with the top management any time at work.

SWOT Analysis

Fresenius Strengths

Below are the strengths of Fresenius Medical care in the SWOT analysis:

- Strong history of services & innovation
- Market leader in its segment
- Vertically integrated
- Dominant industry leader due to its personnel, experience and financial strengths.
- Good relationship with hospitals adds brand value
- Presence in over 100 countries

Fresenius Weaknesses

- Need for more production and manufacturing power compared to global giant.
- Performance also dependent on prevailing exchange rates.

Fresenius Opportunities

Below are the opportunities of Fresenius medical care in SWOT analysis:

- Opportunities for the mergers and acquisitions.
- Not affected by economic climate.
- Pricing power

Fresenius Threats

Below are the threats for Fresenius medical care in SWOT analysis:

- Need for continuous innovation.
- Government regulations and political risks.
- Recent failed attempts at acquisition

Fresenius Competitors

Below are the top 3 competitors of Fresenius medical care:

1. Baxter international
2. DaVita Health care Partners Inc.
3. Dialysis Clinic Inc.

Company Software

Fresenius Medical care is using **SAP** software which is highly secured as well top ranked software in the world. The SAP modules include human resources, finance, sales, and that's just to name a few. Depending on your business needs, you can purchase any module, and would be hard-pressed to find one that does not fit those needs. SAP can manage practically all departments at your organization, revolutionizing the way your business is operated. Benefits of SAP software are below:

1. Well suited for any business
2. Innovative technology
3. Flexible and secure

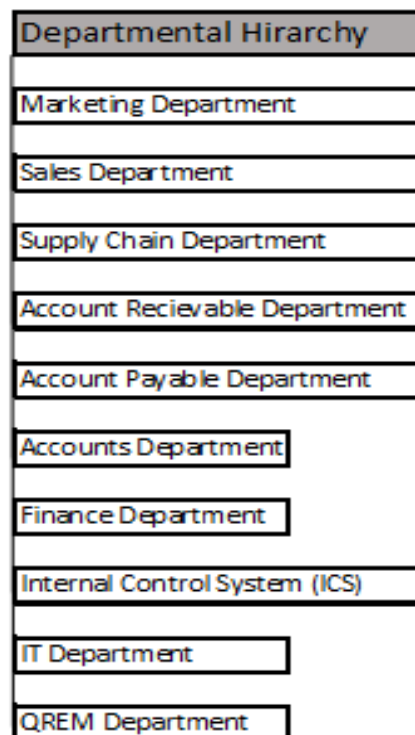
Methodology & Limitations

It is worth to mention that, the members of the office were very informative. Moreover, studying in university course, course text book and search engine was helpful to accumulate theoretical knowledge with practical. There are certain limitations in this report; otherwise the report including the analysis might be more accurate and beneficial. The company is a private limited company which has rights to not disclose their financial data to public or an internee. hence they do not disclose their system software to an internee. Despite all these issues they told me about the process which is used in their software and work through their employees. In spite of, all these limitations, I have tried to put my best effort as far as possible.

Observations and Assigned work

Fresenius Medical Care Departmental Hierarchy

FME is mainly consists of many functional departments and these departments play several roles in order to achieve organizational goals, due to the fact coordination between these departments are excellent. The following figure shows the departmental hierarchy of the company:



SALES PROCESS

The company followed the following steps for their sales in different sectors. Their customers are divided into 2 main sectors which are PUBLIC and PRIVATE. These sectors are include following customers.

- Private Sector include Private Hospitals, Kidney Centers and Private Customers.
- Public Sector include Government Hospitals and ARMY.

Different process are followed in both sectors which are below:

SALES PROCESS IN PRIVATE SECTOR

In Private sector the following steps are followed for sales:

1. Quotation / Proposal Submission
2. Purchase Order issued by customer
3. Supply of product from warehouse
4. Sales order creation in SAP software
5. Issuance of Delivery Note
6. Invoice Creation
7. Payment Clearance

PAYMENT METHODOLOGY

In Private Sector, payment from customers is normally received in advance. Except for strategic customers where credit is allowed

SALES PROCESS IN PUBLIC SECTOR

In public sector, the following steps are followed by a company:

1. Tender Advertisement is issued by Government in which the product required in different hospitals are mentioned with codes and required quantity.
2. Bidding Documents are purchase by company
3. Tender Summary verification in which requirement, analysis and product selections include (Documents required by the advertiser in which financial, technical and other aspects can be include).
4. Price approval
5. Participation in Bid / Tender (at opening date-which is mentioned by government).
6. Submission of tender / bid
7. Technical evaluation process
 - Product evaluation
 - Eligible in ISO terms
 - Eligible in DRAP terms
8. Financial Bid opening
 - Verification of soundness and strength of company
 - Refundable
9. Award Letter issued by government (award letter is basically an approval of purchase from customer)
10. Submission of Performance Guarantee with following commercial terms
 - Fixed %age -of award value
 - Release of Bid Security
 - Stamp Duty
11. Supply order creation in SAP

- Delivery Note
 - Stamping of stock
 - Delivery of Goods
12. Invoice Creation + Submission
 13. Account receivable created till this step
 14. Follow -up Payment
 15. Payment Clearance

CLASSIFICATION OF SALES PROCESS IN DIFFERENT DEPARTMENTS

SALES DEPARTMENT

Very first step of business process is to be a participant in Bid/ Tender opening.

Invitation for Bids

In public sector, the bid advertisement / invitation for bids are issued by government in which they shows the list of products they need along with name of hospital, tender fee, bid security, last date and time for purchasing of tender, date, day and time of tender opening, terms and conditions for participation in which they also mention the necessary requirement of documents.

Bidding Documents

Bidding documents are necessity for participation in bid opening. These documents are available on Punjab Procurement Regulatory Authority website. The documents contains the terms and conditions for eligible bidders. From which the tender summary is create by sales person.

Tender Summary

Tender Summary is a verification in which requirement, analysis and product selections include. Documents required by the advertiser in which financial, technical and other aspects are added. The price, model and other relevant details are added.

Price Approval

Price approval is done by the management of the company as per approved internal process.

Participation in Bid Opening

The sales person participate in tender opening on a mentioned date by government in tender advertisement.

Submission of Tender documents

The documents required in terms and conditions of advertisement are submit on the tender opening.

Technical Evaluation Process

The technical evaluation of company includes the product evaluation, company's eligibility for ISO terms and condition and verification of DRAP terms eligibility.

Financial Evaluation Process

Financial evaluation of a company is done to verify the soundness and strength of the company. They verify the finances availability of company. In which they ask for Financial Bid from company which is normally 2% of the total value. It is submitted by company to make sure their strong financial strength. This financial Bid is refundable.

Award Letter

Award letter is a document which shows the confirmation of selection of company in bid opening. This letter is issued by government to the company which they select for their purchases.

Submission of Performance Security

The performance security is normally 5% of price of per unit. Release of bid security and payment of stamp duty are commercial terms which should be followed by company.

SUPPLY CHAIN DEPARTMENT

Supply chain department is concern with supply of orders and availability of stock in warehouse. They deal with transporters and distributors for the delivery of goods at right place in a given time period.

Role in Sales Process

When they punched the order and finalize it by rechecking it in their tender advertisement and quotation. The supply order from hospital is issued to the company. The supply chain team verify the availability of products in their warehouse and supply goods to the customer through their transporters.

Sale order creation in SAP

Very firstly the sale order has to be create officially in SAP software from where the Delivery Note is made.

Delivery Note

Delivery note contains the data of purchaser, seller, transporter / distributor, product code, customer code and quantity of product units. Delivery note is basically a receiving which can be use for tracking a product and confirmation of its delivery to the right destination because it is sign by the receiver that they receive a correct delivery of their order.

On the basis of Delivery note account receivable department demand the amount from customer.

Stamping of Stock

Stamping of stock is necessary in public sector that the delivered goods are only available for the use of that customer to which it is delivered e.g if the order is placed by Jinnah Hospital their stock is stamped by the company which make sure that the goods are only for this hospital and cannot be used by any other entity.

Delivery of Goods

The delivery of goods are delivered through their transporters. They are dealing with hundreds of transporters-. The transportation is choose according to the number of goods which may include Shehzor, Mazda etc.

Warehouse

Fresenius Medical care have 2 main warehouses in Pakistan who take their goods from port. Location of warehouses are in Lahore and Karachi. These warehouses are from well known listed third party company. Their product section in warehouses are working in two areas: one which is Dry area and Cold area. Agility management sent their report on monthly basis which contains the data logger data about temperature changes in their area. They also sent the report on daily basis which contains the availability of stock of each product. For availability of stock supply chain management sent a purchase order to the main office in GERMANY.

Department of Account Receivables

After issuance of stock, the further process is proceed by Account Receivables department. They use the process of Post Goods Issuance. In which they make sure that the goods in quotation and delivered are exact in amount. After which the invoicing process is start.

Invoicing

Invoicing in SAP software begin with two main terminologies which are in Advance payment and Credit system. For credit system the company is liable to follow the credit policies. The credit policies include following terms:

- Credit Days
- Credit Limit

Credit Days

The credit days for public and private sectors are decided in company's rules and regulations.

Credit Limit

Customer credit limit decided on the base of their financials which should be demand by company before making transaction.

Account Receivables

After invoicing, account receivables are made in SAP. There are further two terms:

- A/R overdue
- A/R not due

On completion of account receivable payment is to be collected. The payment from different sectors are collected by distributors.

Bid Security

Bid Security is issued at the time of bid, which should be pay for participation. This security is normally 2% of estimated contract value. This security is refunded after getting an award contract.

Performance Security

Performance security is issued on basis of award contract. It is refunded after completion of tender time period or contract obligations.

Department of ICS

Internal control system of a company is control by an internal auditor and external audit is done by BWC. External audit is performed by BWC in every year as per requirement..

Controls

The controls of software and their implementation is verified by internal auditor, who make sure that the policies are properly used by every employee in all transaction and further process. There are multiple -controls which are currently apply to FME at local level. These controls are:

1. Procurement to Pay (P2P)
2. Order to Cash (C2C)
3. Report to Record (R2R)
4. Human Resource (HR)
5. Treasury control
6. Inventory Control
7. Inventory to Disposables (I2D)

These controls are implemented in the required business scenarios

Internal Controls

Internal controls system includes a set of rules, policies, and procedures an organization implements to provide directions and increase its efficiency. In Fresenius Medical Care there are multiple controls are implemented

- Vendor Master Data Control
- Control for Removal of TPSI flagging in data
- Control for Review of use of one time account
- Approval of Target Compensation for not Directly Employed Personnel
- Control for Approval of Procurement Agreements

IT Department

Fresenius Medical Care information technology department is fully responsible for providing services of internet and oversees the installation, maintenance and advancement of the computer network systems of the company to ensure that the network runs smoothly. It performs the functions of web links for advertisement of products and maintains the web-site of the company. It is charged with establishing, monitoring and maintaining information technology systems for the well-being of the company. The IT team develops tools to collect, store, manage, secure and distribute data to employees who needs access to the latest information to make decisions about strategic, financial and operational issues for the company.

Activities Done by Interne

I have completed my internship for more than 6 weeks in Fresenius Medical Care Pakistan PVT limited in which is a subsidiary company of Fresenius Groups as per requirement and policy of my degree. My internship was started at 17-June-2022 at their Head Office located at 1st Floor TAMC building MM Alam Road, Lahore. Their staff was highly skilled and qualified. They make a flow chart of departments for me to follow the process. I have learned from all their departments and concern staff of every department was very focused as well as they provide me the relevant documents to make my understandings more strong. Although six to eight weeks are very short time period to analyze and understand the practical work in an organization but I learned a lot with the help of staff and managers. The company employees use SAP software for maintaining their financial activities and controls are applied to their activities which make sure to prevent risk factors.

The entire departments was divided into various segments in which for each department the management is managed by a Senior Manager who is dealing with his team. The team of every department is divided in different cities of Pakistan. These senior managers are answerable to their head of department for their task and duties of their job activities.

1st week

First day of my internship was with Accounts Manager concerning with company over view and major goals of FME. They provide me a Laptop to achieve my tasks and assignments properly. I observe my surroundings and its environment on my first day. Second day of my internship was with Head of Marketing department he give me a proper presentation on a company's history, their goals, vision & mission, core values and define them in details. FME is a very expanded company who are dealing worldwide in dialysis sector. It takes two days to understand the company's over view and core strategies.

My 1st week was in Finance and account department, in which I observe their working ethics and procedures. Their accounts and finances are managed in system SAP software. The closing process was in process in that days which was in German format because their parent company is in Germany and at local level they have to maintain their records. Accounts Manager deals with the payment of transactions. FME deals with both Public and Private customers. In public sector, they have to pay Bid security and Performance Guarantee. **Bid Security** is a document which is purchase by bidder to participate in Bid. The amount of bid security is paid by accounts of the company which is issued and further have to be approve from top level management. **Performance Security** is a guarantee to customer that the company is liable for the maintenance of equipment. Issuance of Performance Guarantee is after the release of bid security.

2nd week

I was in Supply chain department in which the inventory was managed through the use of SAP System. I've learn to make comparison list of different entities. Supply chain team deal with all distributors to make sure the delivery of goods at time and at right destination. They make sure to maintain the stock in warehouses. They are working with Agility for keep their stock in a safe and standard place. They maintain a Costing sheet in their system and proper entries are made in system for the available stock by number of products, their models, names and codes which may include the product code and the code of shelf where the product is placed. This code can be use as a tracker in future. The basic tasks carried out by the persons working in the supply chain management section are as under:

- Daily check on production
- Daily check on stock (materials and finished goods)

- Controlling the production plan for the future
- Control on orders in hand

I have learned that the inventory management is a crucial part of maintaining a strong warehouse and overall supply chain of company. Basic task is to manage the inventory and to keep the upgradation of stocks in inventory management, it is different enough to merit a header. . I recognized that all this feeds into more efficient supply chain which ultimately means happier customers It helps to prevent stock shortages, while it also emphasizes on boosted productivity of Fresenius Medical Care Pakistan PVT limited.

3rd Week

After observing the supply chain management, my rotation was towards Department of Account Receivables. They are dealing with payment receiving by issuance of invoices. Every sector of this section performed their duties very carefully and systematically. This section is engaged in the receivables and manage their data day to day, weekly, monthly, quarterly & yearly and prepares their reports to provides information to the top management. This section is in between the management and the treasury section of the company in which it is helpful in giving the top management a full fledged report on the performance of the company internally.

The section also deals with the working on MS Excel, firstly assigning codes to all the departments and items specifically. They update CDR in system software in which they update the data by Account reconciliation. They have to present the account receivables changes from previous year in form of ratio and graphs, which will present at local level in Pakistan as well as at International Level to the regional office. My work in this department was the assignments of some basic account reconciliation and CDR data entrance on excel which will further verified by Sir Amir and entered in the system SAP software. Account reconciliation is a process in which we verify that the amounts in software and at CDR are in same figures. After reconciliation, data will be submitted to the system SAP software. In excel, the data which was entered along with CDR numbers and amounts is sort of Mater data which contain the details of vendor and relevant order.

In Public sector the amount is always on credit and paid in the months of June-July when government issues budget. The private customers can also be made on credit basis with verification of their financials. The company is able to draw under the credit by presenting a draft, copies of invoices, with evidence that the customer has not performed its obligation.

4th & 5th week

Getting knowledge about these mentioned departments, I moved to internal control System (ICS) which was handled by Internal Auditor who make sure to guide me about the controls which are applied globally and locally. Some of these controls are following:

- Procurement to Pay (P2P)
- Order to Cash (O2C)
- Record to Report (R2R)
- Human Resource
- Treasury
- Inventory

These controls are further had more dimensions which are classified according to different cases. P2P have 24 dimensions, O2C have 56 dimensions and so on. There are three levels in business controls which are:

1. Strategic
2. Moderate (medium level)
3. Small size business

In Pakistan, small size business are dealing in form of clusters. Fresenius Medical Care is using 3.0 control version. Controls are basically use to prevent risks and fraudulent activities. There are two main type of controls which are implement in Pakistan these are:

1. Preventive controls
2. Detective controls

Preventive controls

Preventive controls are attempt to prevent the frauds and risks before they occur.

Detective Controls

Detective controls identify security violations after they have occurred, or they provide information about the violation as part of an investigation.

They shares about managerial policies and allow me to study the documents which are use in audit. The documents contain the required evidence documents for every transaction through which I studied about the basic financial affairs and audit structure of an organization The controls which are implement in all over the company are over to auditor. He verify each control of every single control owner in the organization that the data is filled in properly.

6th Week

In the last week of internship, I was in accounts and finance department. In that time I've covered my financial analysis which include analysis of Income Statement and Balance Sheet. I did Horizontal, Vertical and ratio analysis of their parent company Fresenius SE & Co. KgaA. They are working globally in four dimensions which are:

1. Fresenius Medical care (health care & products)
2. Fresenius Kabi (Hospitals supplies)
3. Fresenius Helios (Hospital Operations)
4. Fresenius Vamed (Servicec and project for hospitals)

The analysis of this giant company is not easy to interpret for me as an internee. It was necessary to make an effective and full fledged report of my experience at organization to get my internship letter. For this concern, I submitted my report to CFO, before it I submit my report draft to Accounts manager to make it more efficient.

Problems & Recommendations

Problems

The problem and challenges which I have to face during my internship period was:

- Fresenius Medical Care Pakitsan is a private limited company which has a right to not disclose their many of data to the third party.
- As the company was private limited they have many confidential data which can be beneficial for my experience in which their Costing sheet was included. Costing sheet contain many deep details which cannot be disclose to an outsider.

Recommendations

As per my learnings and experience at Fresenius Medical care Pakistan PVT limited is that they have a very low numbers of female employees for which they have to employee female staff.

Conclusion

Fresenius Medical Care has been a reputed brand among its customers and gives a wider range of diversified products. Its journey consists many years of providing services and year by year improvements can be seen clearly. However, many areas are still in developing phase of the company and can be improved as time passes. The company has good strength and so it can make a rapid progress in local as well as foreign markets. Moreover, the company is developing such policies and strategies that would lead to enhancing their consumer behavior. In a nutshell, internship at Fresenius Medical Care has been an excellent experience which has given me an opportunity to explore the business world, I got through this internship with increased knowledge and experience which makes me able to propose my internship report that contains a detailed review about the company, also its operations and current affairs. I can conclude that I have learned many different tasks and business operations during internship tenure. Being an intern the main challenge was to translate the theoretical concepts into real business work activities. Mainly, I have learned the importance of time-management and self-motivation.

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