**9.2 INTERNAL AUDIT**

# PURPOSE

Internal audits examine the adequacy of the system’s compliance to the applicable standard. This ensures that:

* System procedures, SWP’s, and other documents are effective
* Documented procedures and work methods accurately reflect actual practice

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# 2. SCOPE

This procedure applies to Titan Drilling employees for the purposes of internal auditing within all Titan Drilling operations.

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# 3. PROCEDURE

## 3.1 Selection of Auditing Personnel

3.1.1 Selection of auditors shall be such that internal audits are conducted by staffs that do not have any direct responsibility in the area to be audited.

3.1.2 The auditor shall be free from bias and influences that could affect objectivity

3.1.3 All auditors shall have the following attributes:

* Adequacy in expressing themselves orally and in writing in the English language
* Be open minded, mature, have analytical skills, a common sense approach and perceive situations in a realistic way

## 3.2 Auditor’s Responsibilities

The Auditor shall manage the audit process ensuring the following occur:

* Sufficient auditors are trained and available to meet the auditing requirements as specified by the relevant standards and company requirements
* The audits are adequately defined, e.g.: scope, location and activities, etc.
* Internal audits are scheduled to ensure that the relevant standards and company requirements are addressed.
* The audit findings are reviewed to determine Corrective Action needs
* Ensure that Non Conformances are raised correctly
* Follow-up of outstanding corrective actions
* Maintain copy of each audit report

## 3.3 Auditor’s Responsibilities

The auditor shall:

* Plan and conduct the audit efficiently and effectively
* Follow up on Corrective Action reports raised to ensure appropriate effective corrective and preventive action has been implemented
* Report the audit findings to the management

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## 3.4 Management Responsibility

Management shall:

* Fully cooperate with audit personnel, either internal or external such that the audit objectives are achieved
* Appoint responsible members of staff to accompany auditing personnel
* Provide resources for the audit team in order to ensure an effective audit process
* Provide access to the facilities and evidential material as requested
* Determine and initiate corrective actions based on the audit report

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## 3.5 Audit Process

3.5.1 Evidence shall be collected through interviews, examination of documents and observation of activities and conditions in the areas of concern

3.5.2 Acquiring information from other sources, such as physical observations, measurements and records shall substantiate information gathered through interviews

3.5.3 The auditor and the auditee shall review the audit findings. Both parties shall authorise the audit report and any Corrective Actions

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## 3.6 Corrective Actions

Corrective Actions shall be raised, managed and addressed in accordance with documented procedures

**3.7 Frequencies**

Internal Audits shall be conducted once on a yearly basis.

# 4. IMPLEMENTATION

This procedure is effective immediately from day of issue.