1. Purpose

This Standard Operating Procedure (SOP) establishes the requirements for planning, conducting, documenting, reporting, and monitoring audits at Sir Lancellot Logistics (SLL). The audit program is designed to verify compliance with company procedures, client requirements, Quality Management System (QMS) requirements, Good Distribution Practice (GDP), Good Documentation Practice (GDocP), ALCOA+ principles, and applicable regulatory requirements while supporting continual improvement.

2. Scope

This SOP applies to all internal audits conducted within SLL, including:

- Operational shipment activities
- Dispatch and transportation operations
- Independent Contractor (IC) and driver activities
- Quality Management System (QMS) processes
- Training and competency records
- CAPA activities
- Document and record control processes
- Client-specific operational requirements

3. Policy

3.1 Audit Types and Definitions

SLL utilizes multiple audit types to evaluate compliance, process effectiveness, operational performance, and the effectiveness of the QMS.

3.1.1 Operational Shipment Audit (Process Audit)

Purpose:
To evaluate completed shipments for compliance with operational procedures, customer requirements, documentation standards, and shipment lifecycle requirements.

Frequency: Weekly

Methodology: Random review of completed shipment records.

3.1.2 Field Compliance Audit (Compliance Audit)

Purpose:
To evaluate IC and driver compliance with company procedures, client requirements, chain-of-custody controls, vehicle standards, and professional conduct expectations.

Frequency: Monthly

Methodology: Observation, inspection, and checklist-based evaluation.

3.1.3 Quality Management System (QMS) Audit (System Audit)

Purpose:
To evaluate the effectiveness, suitability, implementation, and maintenance of the Quality Management System.

Frequency: Annually

Methodology: Systematic review of quality records, procedures, programs, and supporting documentation.

3.1.4 Follow-Up Audit (Verification Audit)

Purpose:
To verify that corrective actions have been implemented and are effective in resolving previously identified deficiencies.

Frequency: As Required

Methodology: Targeted review of corrective actions and objective evidence.

3.1.5 Special or For-Cause Audit (Investigative Audit)

Purpose:
To investigate customer complaints, significant incidents, recurring deficiencies, management concerns, or regulatory issues.

Frequency: As Required

Methodology: Targeted review based on the nature and scope of the issue.

3.2 Operational Shipment Audits

Purpose

Operational Shipment Audits are conducted to:

- Verify compliance with SOPs and client requirements
- Confirm shipment documentation is complete and accurate
- Assess operational execution and adherence to procedures
- Identify trends and opportunities for improvement
- Evaluate billing readiness

Frequency

Weekly

Audit Timing

Audits are typically conducted within two weeks of shipment completion. Findings are used to identify systemic improvement opportunities and reinforce compliance expectations.

Shipment Types Eligible for Audit

Random selections may include:

- General Shipments
- Temperature-Controlled Vehicle (TCV) Shipments
- Medical Shipments

- Critical Shipments
- Next Flight Out (NFO) Shipments

Audit Criteria

The auditor shall verify:

- Job correctly entered and aligned with customer requirements
- Required documents attached and legible
- Dispatch activities performed in accordance with procedures
- Driver qualifications appropriate for shipment requirements
- Driver performance and MobileTek utilization
- Required notes and communication documented
- Shipment completion supports billing requirements
- Compliance with Shipment Lifecycle SOP

Audit Ratings

Rating	Definition
Good	No significant deficiencies identified
Satisfactory	Minor deficiencies identified
Fair	Multiple deficiencies requiring attention
Marginal	Significant deficiencies requiring corrective action
Poor	Major deficiencies requiring immediate action

Documentation and Reporting

- Findings shall be documented within the QMS Portal.
- Deficiencies shall include supporting comments.
- Completed audit reports shall be distributed to management.

- Significant findings shall be escalated immediately.

3.3 Field Compliance Audits

Purpose

Field Compliance Audits evaluate operational compliance and field execution by ICs and drivers.

Frequency

Monthly

Audit Categories

The auditor shall evaluate:

1. Compliance with client procedures and internal SOPs
2. Cargo handling and chain of custody
3. Delivery process accuracy and timeliness
4. Professional appearance and conduct
5. Vehicle and equipment condition
6. Required documentation and operational tools

Evaluation Method

- Checklist-based assessment
- Yes/No responses
- Auditor observations and supporting notes

Documentation and Reporting

- Findings shall be entered into the QMS Portal.
- Reports shall be distributed to management.
- Results may be used to support training, coaching, process improvements, or corrective actions.

3.4 Quality Management System (QMS) Audits

Purpose

QMS Audits evaluate the effectiveness and ongoing maintenance of the Quality Management System.

Frequency

Annually

Audit Scope

The audit may include:

- Quality Manual
- SOPs and revision control
- Training records
- CAPA records
- Record retention practices
- Internal quality processes
- Audit records
- Management Review activities

Finding Classifications

Classification	Definition
Compliant	Requirement fully met
Minor Finding	Isolated deficiency with limited impact
Major Finding	Significant deficiency affecting compliance or effectiveness
Critical Finding	Deficiency presenting significant quality, regulatory, client, or operational risk

Documentation and Reporting

- Findings shall be documented within the QMS Portal.
- Reports shall be provided to management.
- Significant findings shall be reviewed during Management Review activities.

3.5 Follow-Up Audits

Follow-Up Audits may be performed when:

- Corrective actions have been implemented
- Repeat deficiencies are identified
- Management requests verification of effectiveness

The auditor shall document verification activities and results within the QMS Portal.

3.6 Special or For-Cause Audits

Special or For-Cause Audits may be initiated due to:

- Customer complaints
- Shipment incidents
- Regulatory concerns
- Repeated audit findings
- Management requests
- Significant operational deviations

The scope and methodology shall be determined by the Quality Leader based on the issue under investigation.

3.7 Audit Planning and Methodology

Audit Schedule

Audit Type	Classification	Frequency
Operational Shipment Audit	Process Audit	Weekly
Field Compliance Audit	Compliance Audit	Monthly
QMS Audit	System Audit	Annual
Follow-Up Audit	Verification Audit	As Required
Special / For-Cause Audit	Investigative Audit	As Required

Audit Process

1. Plan and schedule audits.
2. Review applicable procedures, records, and previous findings.
3. Conduct audit using approved templates and criteria.
4. Document findings and supporting evidence.
5. Issue audit report.
6. Track corrective actions when required.
7. Verify effectiveness of implemented actions.
8. Trend and review audit results during Management Review.

Reporting Timeframe

Completed audit reports should be finalized within five (5) business days whenever practical.

3.8 Roles and Responsibilities

Quality Leader

- Maintain the audit program
- Establish audit schedules
- Review audit results
- Conduct trend analysis
- Escalate significant findings

Quality Team / Auditors

- Conduct audits objectively
- Document findings accurately
- Maintain audit records
- Follow approved audit procedures

Management

- Review audit results
- Implement corrective actions
- Support continual improvement activities
- Monitor effectiveness of corrective actions

3.9 CAPA Requirements

Corrective and Preventive Action (CAPA) may be initiated when:

- Repeated deficiencies are identified
- Major or critical findings occur
- Corrective actions are ineffective
- Trends indicate systemic issues

- Management determines formal investigation is necessary

CAPAs shall be managed in accordance with the CAPA SOP.

3.10 Audit Documentation and Record Retention

Required Records

Audit records may include:

- Audit templates
- Audit reports
- Supporting notes
- Finding classifications
- Job numbers or reference numbers
- Auditor's name
- Audit date
- Corrective action records

Storage

- QMS Portal (primary record)
- Approved company shared file locations

Retention

Audit records shall be retained for a minimum of three (3) years unless a longer retention period is required by a client, contract, or regulatory requirement.

3.11 References

- Quality Manual
- SOP-QA-Shipment Lifecycle
- SOP-QA-CAPA
- SOP-QA-Training
- GDP Guidelines
- ALCOA+ Principles
- Good Documentation Practice (GDocP) Requirements

3.12 Definitions

Audit: A systematic and independent examination used to determine whether activities comply with planned arrangements and established requirements.

CAPA: Corrective and Preventive Action process used to eliminate causes of actual or potential nonconformities.

QMS: Quality Management System.

BOL: Bill of Lading.

HAWB: House Air Waybill.

ALCOA+: Principles ensuring records are Attributable, Legible, Contemporaneous, Original, Accurate, Complete, Consistent, Enduring, and Available.

GDP: Good Distribution Practice.

GDocP: Good Documentation Practice.

REVISION CONTROL

The following is the revision history for this document.

Version	Change Description	Eff Date	Approver	Approver
1.0	Creation	21 June 2023		
1.1	3.1 Added to Audit steps, the procedural steps taken during the audit process.	08 JAN 2024		
1.2	Company Name and Logo Updated	19 JUN 2024		
2.0	Major revision consolidating job, field, and QMS audits; weekly job audits via Xcelerator; separation of job (rated) and field (Yes/No) audits; CAPA applied only for repeated deficiencies; attachment verification included improved clarity and compliance with ALCOA+, GDP, and GDocP principles.	03 MAR 2026		
2.1	Annual audit finding “Needs alignment – Different audits not clearly defined” - Audit program restructured to clearly define audit types, classifications, frequencies, methodologies, reporting requirements, and CAPA triggers.	22 JUN 2026	DocuSigned by: Bill Maloney C34D253392F940F... 6/22/2026	Signed by: Vince Lambert 213BC8E41A9D48A... 6/22/2026

Certificate Of Completion

Envelope Id: 3F29CFF9-43C8-8455-8295-EC5057E3DFB3
Status: Completed
Subject: Complete with Docusign: SLL Audit SOP 2.1.docx
Source Envelope:
Document Pages: 12
Signatures: 2
Envelope Originator:
Certificate Pages: 5
Initials: 0
Bill Maloney
AutoNav: Enabled
bmaloney@myrushdelivery.net
EnvelopeId Stamping: Enabled
IP Address: 152.193.129.100
Time Zone: (UTC-08:00) Pacific Time (US & Canada)

Record Tracking

Status: Original
6/22/2026 12:12:51 PM
Holder: Bill Maloney
bmaloney@myrushdelivery.net
Location: DocuSign

Signer Events	Signature	Timestamp
Bill Maloney bmaloney@myrushdelivery.net Quality Manager Sir Lancellot Courier & Delivery Service Security Level: Email, Account Authentication (None)	DocuSigned by:  C34D253392F940F... Signature Adoption: Pre-selected Style Using IP Address: 152.193.129.100	Sent: 6/22/2026 12:16:13 PM Viewed: 6/22/2026 12:24:42 PM Signed: 6/22/2026 12:24:55 PM
Electronic Record and Signature Disclosure: Not Offered via Docusign		
Vince Lambert vlambert@myrushdelivery.net Vice President Security Level: Email, Account Authentication (None)	Signed by:  213BC8E41A9D48A... Signature Adoption: Pre-selected Style Using IP Address: 24.227.56.2	Sent: 6/22/2026 12:16:13 PM Viewed: 6/22/2026 12:52:38 PM Signed: 6/22/2026 12:53:37 PM
Electronic Record and Signature Disclosure: Accepted: 6/22/2026 12:52:37 PM ID: 066cbb76-11d9-4e39-9599-51d243e6843f		

In Person Signer Events	Signature	Timestamp

Editor Delivery Events	Status	Timestamp

Agent Delivery Events	Status	Timestamp

Intermediary Delivery Events	Status	Timestamp

Certified Delivery Events	Status	Timestamp

Carbon Copy Events	Status	Timestamp

Witness Events	Signature	Timestamp

Notary Events	Signature	Timestamp

Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	6/22/2026 12:16:13 PM
Certified Delivered	Security Checked	6/22/2026 12:52:38 PM
Signing Complete	Security Checked	6/22/2026 12:53:37 PM
Completed	Security Checked	6/22/2026 12:53:37 PM

Payment Events	Status	Timestamps
Electronic Record and Signature Disclosure		

ELECTRONIC RECORD AND SIGNATURE DISCLOSURE

From time to time, Amanda Demski (we, us or Company) may be required by law to provide to you certain written notices or disclosures. Described below are the terms and conditions for providing to you such notices and disclosures electronically through the DocuSign system. Please read the information below carefully and thoroughly, and if you can access this information electronically to your satisfaction and agree to this Electronic Record and Signature Disclosure (ERSD), please confirm your agreement by selecting the check-box next to 'I agree to use electronic records and signatures' before clicking 'CONTINUE' within the DocuSign system.

Getting paper copies

At any time, you may request from us a paper copy of any record provided or made available electronically to you by us. You will have the ability to download and print documents we send to you through the DocuSign system during and immediately after the signing session and, if you elect to create a DocuSign account, you may access the documents for a limited period of time (usually 30 days) after such documents are first sent to you. After such time, if you wish for us to send you paper copies of any such documents from our office to you, you will be charged a $0.00 per-page fee. You may request delivery of such paper copies from us by following the procedure described below.

Withdrawing your consent

If you decide to receive notices and disclosures from us electronically, you may at any time change your mind and tell us that thereafter you want to receive required notices and disclosures only in paper format. How you must inform us of your decision to receive future notices and disclosure in paper format and withdraw your consent to receive notices and disclosures electronically is described below.

Consequences of changing your mind

If you elect to receive required notices and disclosures only in paper format, it will slow the speed at which we can complete certain steps in transactions with you and delivering services to you because we will need first to send the required notices or disclosures to you in paper format, and then wait until we receive back from you your acknowledgment of your receipt of such paper notices or disclosures. Further, you will no longer be able to use the DocuSign system to receive required notices and consents electronically from us or to sign electronically documents from us.

All notices and disclosures will be sent to you electronically

Unless you tell us otherwise in accordance with the procedures described herein, we will provide electronically to you through the DocuSign system all required notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you during the course of our relationship with you. To reduce the chance of you inadvertently not receiving any notice or disclosure, we prefer to provide all of the required notices and disclosures to you by the same method and to the same address that you have given us. Thus, you can receive all the disclosures and notices electronically or in paper format through the paper mail delivery system. If you do not agree with this process, please let us know as described below. Please also see the paragraph immediately above that describes the consequences of your electing not to receive delivery of the notices and disclosures electronically from us.

How to contact Amanda Demski:

You may contact us to let us know of your changes as to how we may contact you electronically, to request paper copies of certain information from us, and to withdraw your prior consent to receive notices and disclosures electronically as follows:
To contact us by email send messages to: ademski@pdxdelivers.com

To advise Amanda Demski of your new email address

To let us know of a change in your email address where we should send notices and disclosures electronically to you, you must send an email message to us at ademski@pdxdelivers.com and in the body of such request you must state: your previous email address, your new email address. We do not require any other information from you to change your email address.

If you created a DocuSign account, you may update it with your new email address through your account preferences.

To request paper copies from Amanda Demski

To request delivery from us of paper copies of the notices and disclosures previously provided by us to you electronically, you must send us an email to ademski@pdxdelivers.com and in the body of such request you must state your email address, full name, mailing address, and telephone number. We will bill you for any fees at that time, if any.

To withdraw your consent with Amanda Demski

To inform us that you no longer wish to receive future notices and disclosures in electronic format you may:

i. decline to sign a document from within your signing session, and on the subsequent page, select the check-box indicating you wish to withdraw your consent, or you may;

ii. send us an email to ademski@pdxdelivers.com and in the body of such request you must state your email, full name, mailing address, and telephone number. We do not need any other information from you to withdraw consent.. The consequences of your withdrawing consent for online documents will be that transactions may take a longer time to process..

Required hardware and software

The minimum system requirements for using the DocuSign system may change over time. The current system requirements are found here: https://support.docusign.com/guides/signer-guide-signing-system-requirements.

Acknowledging your access and consent to receive and sign documents electronically

To confirm to us that you can access this information electronically, which will be similar to other electronic notices and disclosures that we will provide to you, please confirm that you have read this ERSD, and (i) that you are able to print on paper or electronically save this ERSD for your future reference and access; or (ii) that you are able to email this ERSD to an email address where you will be able to print on paper or save it for your future reference and access. Further, if you consent to receiving notices and disclosures exclusively in electronic format as described herein, then select the check-box next to 'I agree to use electronic records and signatures' before clicking 'CONTINUE' within the DocuSign system.

By selecting the check-box next to 'I agree to use electronic records and signatures', you confirm that:

- You can access and read this Electronic Record and Signature Disclosure; and
- You can print on paper this Electronic Record and Signature Disclosure, or save or send this Electronic Record and Disclosure to a location where you can print it, for future reference and access; and
- Until or unless you notify Amanda Demski as described above, you consent to receive exclusively through electronic means all notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you by Amanda Demski during the course of your relationship with Amanda Demski.