



## 1. Purpose

This Standard Operating Procedure (SOP) establishes the requirements for planning, conducting, documenting, reporting, and monitoring audits at Sir Lancelot 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**

| <b>Rating</b> | <b>Definition</b>                                    |
|---------------|--|
| 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.

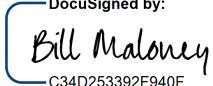
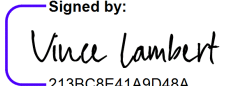
**GDP:** Good Distribution Practice.

**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:<br><br>C34D253392F940F...<br>6/22/2026 | Signed by:<br><br>213BC8E41A9D48A...<br>6/22/2026 |
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