GIBSON

December 4, 2025

Mr. Oliver Mintz
Board Audit Committee Chair
Killeen Independent School District
200 North WS Young Drive
Killeen, Texas 76543

Re: Fiscal Year 2026 Cost Proposal for Internal Audit Services

Dear Mr. Mintz:

Gibson Consulting Group (Gibson) appreciates the opportunity to present this cost proposal to provide Internal Audit Services to the Killeen Independent School District (KISD/Killeen ISD/the district) Board of Trustees (Board) in Fiscal Year (FY) 2026. The Board Audit Committee (BAC) requested pricing for the following three audit proposals:

- Technology Audit

- Booster Club Audit

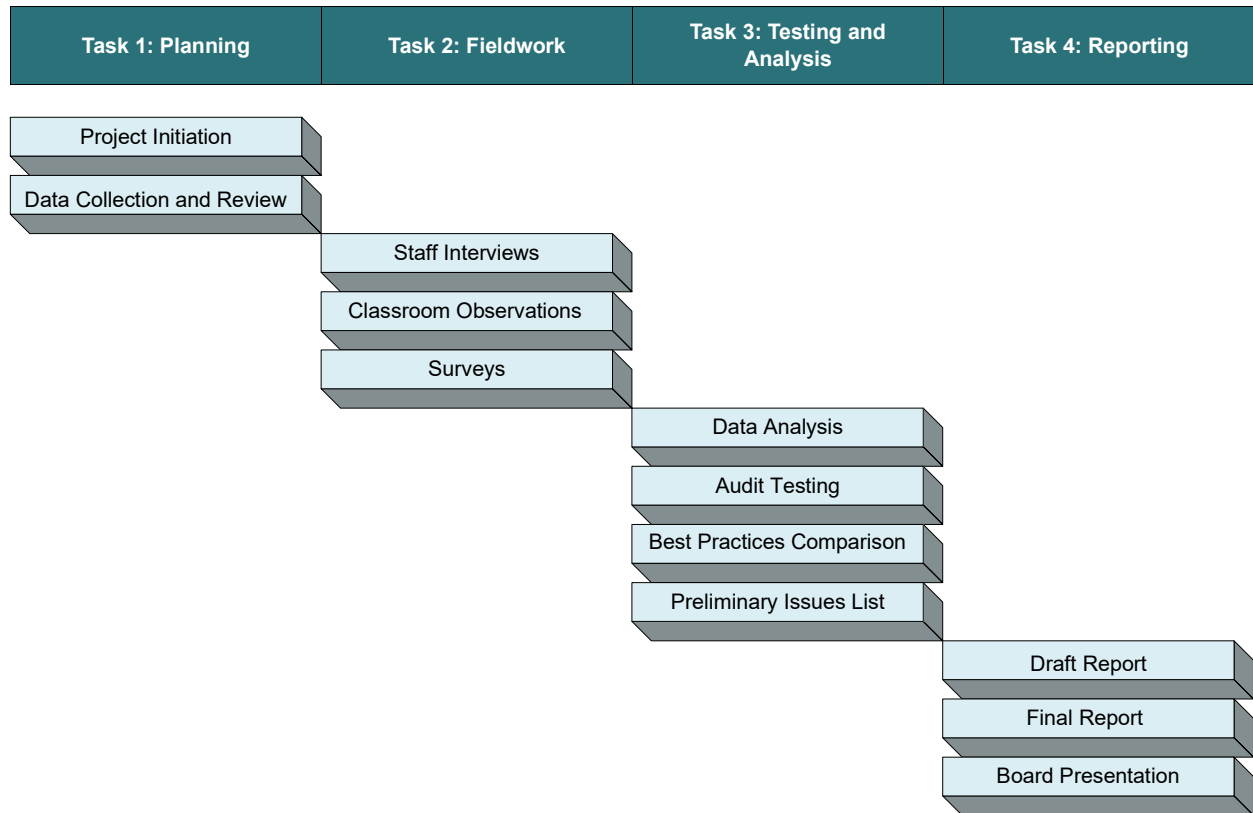- Asset and Risk Management Follow-up Audit

The BAC has also requested pricing from Gibson for Internal Audit Program Management Services during FY 2026.

The remainder of this letter presents the scope and approach of each audit, our proposed (recurring) audit program management activities for FY 2026, and the timing and cost of our services.

Audit Approach

The general approach for our audits is similar in that it includes four basic elements or tasks. This approach is presented in Figure 1 and discussed in greater depth below.

Figure 1. Audit Project Overview

Task 1: Planning	Task 2: Fieldwork	Task 3: Testing and Analysis	Task 4: Reporting

Project Initiation

Data Collection and Review

Staff Interviews

Classroom Observations

Surveys

Data Analysis

Audit Testing

Best Practices Comparison

Preliminary Issues List

Draft Report

Final Report

Board Presentation

Source. Gibson Consulting Group

Task 1: Planning

We will conduct a project orientation meeting with the Killeen ISD project liaison and the BAC to discuss the scope and objectives of the audit and to finalize the schedule.

We will provide a data request to the district for these audits and will use the project orientation meeting to answer any questions regarding the request. Some of this information may be available through the district's website, the Texas Education Agency (TEA) website, or another third-party source. We expect that it will take up to two weeks for Killeen ISD to provide all of the requested data for the audit, and we will begin analyzing the data as soon as it becomes available, in order to prepare for the fieldwork.

Task 2: Fieldwork

The exact audit procedures for fieldwork will vary based on the scope of the individual audit, which is discussed in detail within each project overview later in this proposal. Generally, fieldwork will include interviews with district leadership, departmental leadership, and staff, as well as other district- and campus-level staff based on the needs of the audit.

Task 3: Analysis

This task includes the analysis and corroboration of information obtained through the initial and supplemental data requests, interviews, and observations of board meetings. Below are examples of the types of analyses we will apply on the audits. The specific analysis and testing approaches will vary based on the needs of each audit, which are discussed later in this proposal under each project overview.

- Data Analysis – trend analysis, peer analysis, and comparison of performance metrics to applicable benchmarks to identify favorable or unfavorable performance variances.

- Process Analysis – a visual "map" of current processes to support the identification of process improvements, such as elimination of unnecessary or duplicative tasks, automation or streamlining of tasks, or re-sequencing of tasks.

- Organizational Analysis – the process of evaluating department organizational charts against principles of organizational theory, including logical alignment of functions and reasonable spans of control (number of direct reports to supervisor positions).

- Transaction Testing – whereby individual transactions or files are examined to ensure compliance with applicable laws, regulations, and procedures.

Task 4: Reporting

We will corroborate the results of our analysis, interviews, surveys, and other sources of information to form the basis for possible audit findings and recommendations, recognizing any best practices in place as well as identifying opportunities for improvement. We will develop a draft audit report that contains an executive summary, a description of the project objectives and scope, descriptions of district practices, as well as findings and recommendations to improve the efficiency, effectiveness, and compliance of the areas under the audit.

We will submit the draft report to the administration for their management responses to our recommendations (expressing agreement, partial agreement, or disagreement), and to ensure that there are no factual misrepresentations. Upon receiving a single, consolidated set of comments from the district, we will make appropriate modifications and present the results to the BAC. We will also be available, as requested, to make a presentation of the report to the Killeen ISD Board.

The following sections of this cost proposal describe the scope and activities related to each audit.

Technology Audit

The primary purpose of conducting a technology audit in a school district is to assess the effectiveness, efficiency, and alignment of the district's technology function with its strategic goals and objectives. A technology audit plays an important role in identifying areas of strength, as well as potential gaps or vulnerabilities that may hinder the district's ability to leverage technology as an enabler for educational excellence and operational efficiency. This audit will help Killeen ISD gain an understanding of its technology landscape, enabling the district to make informed decisions, and implement necessary improvements to optimize its technology services and support. Six major areas of the technology function

will be analyzed during this audit. Below are descriptions of these six areas and related audit activities to be performed.

Technology Audit Areas

Organizational Structure and Management

The scope of the organization and management section includes the Technology Department's organizational chart, technology staffing and expenditures, technology training, and technology planning.

Below are the key questions the audit will address under organizational structure and management.

- How are technology plans aligned with district goals and objectives?

- How is the Technology Department organized to promote effective and efficient services?

- What performance measures or metrics does the Technology Department track, analyze, and act on?

- What specific technology framework or best practice guidelines, such as Information Technology Infrastructure Library (ITIL) or Control Objectives for Information and Related Technologies (COBIT), does the Technology Department follow or model itself after?

- How does KISD's technology spending compare with peer districts or available industry benchmarks?

- How does the IT budgeting process ensure efficient use of funds?

- How does the district align technology purchases with technology advancements?

- What processes exist for evaluating emerging technologies?

- Do technology staff receive adequate training to perform their jobs?

- Do district- and campus-level staff receive adequate and timely training related to technology?

Service to Customers

We will be evaluating the quality and responsiveness of the Technology Department's services, as they directly impact the ability of educators, students, and staff to leverage technology effectively in support of teaching, learning, and administrative processes. Analyzing service levels and identifying areas for improvement will ultimately enhance the overall educational experience and productivity.

Below are key questions the audit will address under service to customers.

- Is the device-to-support staff ratio reasonable and aligned with district targets?

- What service-level agreements, if any, does the Technology Department have in place?

- Does the district maintain a technology service catalog to document and clarify its service offerings?

- Does technology support function track work order statistics to modify support levels or activities?

- Is there adequate communication between the Technology Department and other departments?

- What processes does the Technology Department follow to assess user satisfaction?

- Are there adequate and documented operational procedures to guide service management?

Devices and Equipment

Gibson will assess the district's technology devices and equipment lifecycle management practices to ensure Killeen ISD is effectively meeting the evolving needs of its educational environment. Our evaluation will examine how devices are acquired, deployed, maintained, supported, and ultimately retired or replaced. This lifecycle approach ensures that technology resources are properly maintained throughout their useful life and are adequately supporting Killeen ISD's strategic goals and objectives. The audit of this area may inform strategic decisions regarding upgrades, replacements, and future acquisitions.

Below are key questions the audit will address under devices and equipment.

- Is there a formal device lifecycle management and refresh plan that is consistent with best practices and consistently followed? Is this plan adequately funded within the overall technology budget?

- Does the Technology Department maintain accurate inventory tracking for all district devices and equipment throughout their lifecycle, from procurement to retirement?

- Does the distribution of device types (e.g., mobile, desktop, laptop, Apple, PC) align with instructional needs, best practices, and district goals?

- Are there adequate and documented operational procedures that guide the Technology Department's device lifecycle management processes, including acquisition, deployment, maintenance, and retirement?

- Does the district have and support a "bring your own device" (BYOD) program? If so, how is it integrated with the overall device strategy?

- What processes exist to ensure equitable access to appropriate technology devices across all schools and student populations?

Management Information Systems

Gibson will evaluate the robustness, integration, and effectiveness of the district's management information systems to verify the district is streamlining operations, enhancing data-driven decision-making, and ensuring the seamless flow of information across various departments and stakeholders. We will assess processes regarding major districtwide information systems, including Enterprise Resource Planning (ERP), Learning Management Systems (LMS), and other support systems.

Below are the key questions the audit will address under management information systems.

- Are there adequate support structures for districtwide applications?

- Are there sufficient training program plans for districtwide applications?

- Does the district follow a best practice software development lifecycle and its components?

- How does the district make decisions on software purchases versus in-house development?
- Does the district employ change management strategies when implementing major systems?

Infrastructure

Gibson will conduct an examination of the technology infrastructure, including networks, servers, and communication systems, to verify that the district is following industry standard best practices to deliver reliable and secure technology services. We will also assess whether the department is proactively monitoring its technology infrastructure to mitigate risks.

Below are key questions the audit will address under infrastructure.

- Does the district maintain and document its inventory of all physical and virtual servers of the district (including operating system and purpose)?
- How does the district monitor system event management and logs?
- Does the district have adequate procedures for patch management?
- How does the district utilize change management procedures in system and network management?
- Does the district adequately determine the levels of sufficient bandwidth for its users?
- Is wireless coverage and security adequate across all district facilities?
- Does the Technology Department adequately and proactively monitor the network and its components?
- Does the Technology Department adequately manage firewall and internet content filtering exceptions?
- Are operational procedures adequate and documented to support network monitoring and security?

Information Security

KISD began implementing the Texas Cybersecurity Framework (TCF) in Spring 2020. The Gibson Audit Team conducted a targeted Technology Audit in Summer 2021, where the primary objective of the audit was to evaluate the district's adoption and implementation of the TCF. This audit was not charged with independently determining whether or not KISD and its critical information assets were safe and secure against cybersecurity attacks, but rather to assess the district's progress in implementing the TCF framework.

The audit found that the district was still in the early stages of TCF implementation. The major obstacles to implementation included a lack of a formal security governance structure, the lack of an information security implementation plan (demonstrating how the district will achieve cybersecurity framework objectives), and a reliance on vendor data privacy and sharing agreements rather than its own. The audit also indicated that turnover in leadership in the Technology Department complicated the implementation of the framework.

This audit contained six recommendations to improve progress in completing the framework and improving information security at KISD. Below, Table 1 lists the recommendations and their priorities.

Table 1. Summer 2021 Targeted Technology Audit Recommendations and Priorities

No.	Priority	Recommendation
1	High	Develop an information security governance committee.
2	High	Modify the KISD management approach to the implementation of the TCF.
3	High	Re-perform the current profile step of the TCF implementation process.
4	High	Review and enhance the data confidentiality section of the KISD terms and conditions document.
5	Medium	Update the Cybersecurity Coordinator job description.
6	Medium	Track and monitor the implementation of all information security-related recommendations.

Source. Gibson Consulting Group Targeted Technology Audit, September 2021

As part of the FY 26 Technology Audit, we will conduct a follow-up audit of the six recommendations made in our 2021 report regarding information security. The follow-up audit will involve interviews of the staff responsible for implementing recommendations and reviewing the evidence that demonstrated full or partial completion of the recommendations. We will document the status of the recommendations as part of this audit.

Technology Audit Activities

Gibson will perform the following activities for the Technology Audit.

Interviews and Focus Groups

We will conduct interviews and focus groups with key Technology Department staff to understand their roles, responsibilities, and processes related to IT governance and strategic planning, IT service management, change management, and network and infrastructure management.

We will conduct interviews with other departmental leadership who interact with the Technology Department to understand how the departments collaborate. Additionally, we will interview school leadership and school-based technology positions.

The interviews will help ensure that we have a complete and thorough understanding of the Technology Department's processes, procedures, operations, and any areas of perceived concern. As we develop findings and recommendations, we will conduct follow-up interviews as needed to validate our findings and/or to clarify information.

Data Analysis

By analyzing the district's existing data and documentation related to technology infrastructure, processes, and policies, we gain insights into the current situation. These analyses can be corroborated with information obtained through interviews and focus groups to identify strengths, weaknesses, and areas for potential improvement. The analyses may include technology work order analysis, computer device

inventory analysis, technology staffing analysis, technology expenditure analysis, and analysis of student-to-device ratios.

Below is an example of a type of analysis Gibson conducted on a prior Technology Audit. This figure illustrates the elementary school device-to-student ratio, which allowed Gibson to determine that there were two elementary school campuses that have less than a 1:1 device per student.

Figure 2. Elementary School Device to Student Ratio
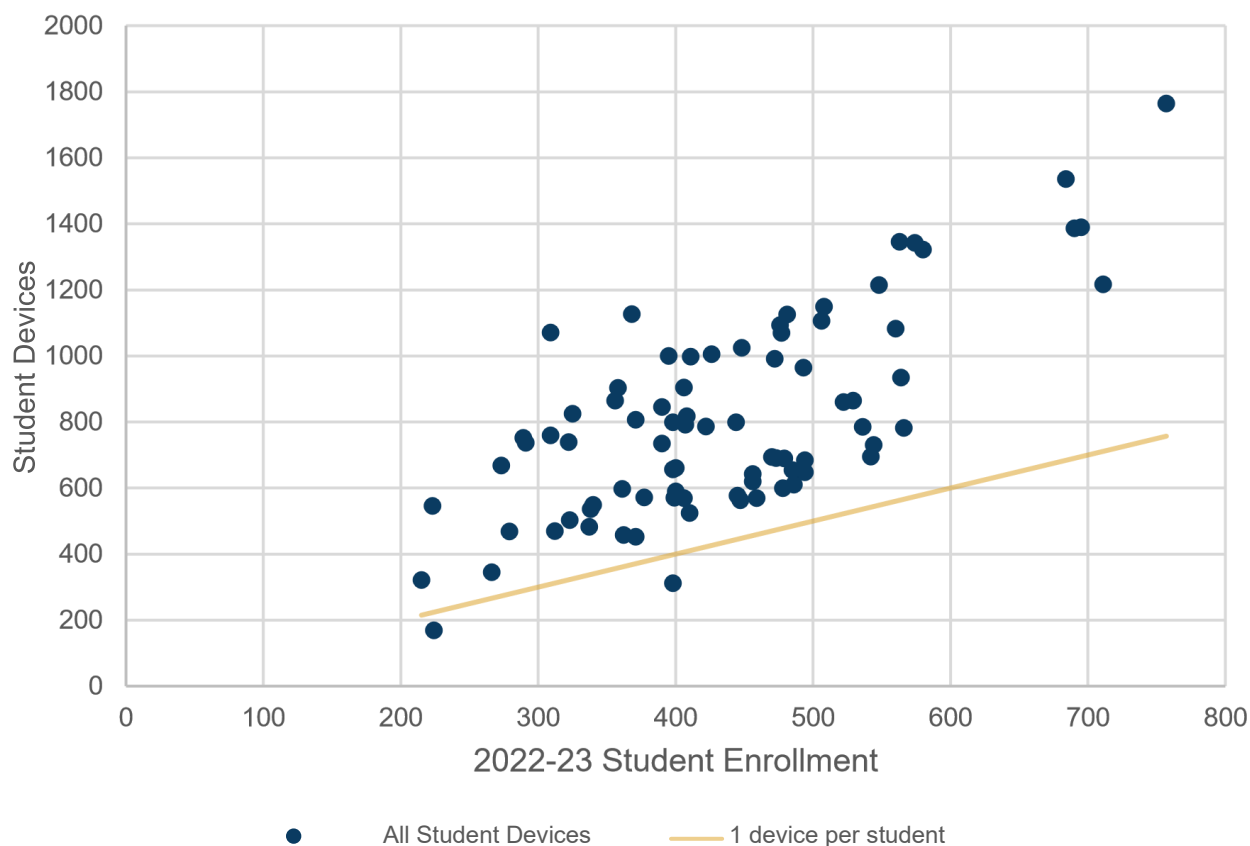
Source. Gibson Consulting Group

Audit Testing

The audit team will also conduct a series of audit tests to corroborate key technology processes, obtain evidence of supporting documentation, and validate the key processes in the Technology Department. Table 2 provides the two examples of tests that can be executed. The actual tests performed will be based on information collected early in the audit that points to potential control weaknesses.

Table 2. Technology Audit Testing

Test Area	Test Overview
Super User Access	The objective of this test is to ensure that the super users of the ERP are appropriate given their roles in the district. A super user is considered anyone that has access to create other users and maintain existing user access.
Non-employee Access	The objective of this test is to ensure that contractors are granted access through appropriate processes and access is terminated when services are completed.

Source. Gibson Consulting Group

Booster Club Audit

The primary objective of this audit is to evaluate the district's oversight of booster clubs to ensure compliance, transparency, and accountability under State and Local policy. We are separating this work into four areas:

- Compliance and Governance;
- Financial Oversight;
- Operational Relationships; and
- Internal Controls.

Booster Club Audit Areas

Compliance and Governance

- Does the district maintain a current registry of approved booster clubs, including documentation of their nonprofit status, bylaws, and IRS Form 990 submissions?
- Are booster clubs organized as legally separate entities?

Financial Oversight

- Has the organization submitted a Statement of Purpose at the beginning of the year?
- Are monthly and annual financial reports being submitted as required?
- What process does the district use to review booster club independent audits or financial reports to identify irregularities (e.g., commingling of funds, unapproved expenses)?
- Are in-kind donations (e.g., equipment, services) from booster clubs documented and evaluated for compliance with district procurement policies?

Operational Relationships

- Do all active booster clubs have signed memorandums of understanding (MOUs) with the district that clearly define:

  – Permitted use of district facilities/equipment?

  – Restrictions on fundraising during school hours/events?

  – Training requirements for club officers on district policies?

- Are there clear procedures for revoking a club's privileges (e.g., misuse of district branding, failure to submit audits)?

Internal Controls

- Does the district segregate duties in its oversight process (e.g., separate staff reviewing club audits vs. approving fundraisers)?

- What training does the district provide to campus administrators and athletic/activity directors on monitoring booster club activities?

- Are there mechanisms to prevent district employees from handling booster club funds, even temporarily (e.g., cash donations at events)?

- Is there a secure drop box in place for collecting funds?

- Is the organization complying with the guidelines for operating concession stands?

Booster Club Audit Activities

Interviews

We will conduct interviews and focus groups with key district staff involved in the oversight, coordination, and financial management of booster clubs. This includes campus principals, finance personnel, and district administrators responsible for student activities and compliance. These interviews will help us better understand current processes, roles and responsibilities, documentation practices, and oversight related to booster club operations.

The purpose of these discussions is to gain a clear understanding of how booster clubs raise, manage, and track funds, and to assess whether their financial practices align with district policies, University Interscholastic League (UIL) guidelines, and applicable state regulations. These conversations will help identify any gaps, risks, or areas of concern and promote responsible, transparent management of booster club activities.

Following the initial interviews and focus groups, we may request additional information from Killeen ISD or conduct follow-up conversations with district staff to clarify findings or gather more detail.

Data Analysis

The approach to this audit will involve the analysis and triangulation of data from multiple sources, including district-provided data and interviews with district and campus staff. Examples of specific analyses completed by Gibson are included below:

- Gibson will complete a historical analysis of Booster Club Funds and activities;

- Gibson will assess the department's organizational structure with respect to the logical alignment of key functions within the department, spans of control, and effective oversight and management of program resources; and

- Gibson will review relevant job descriptions to determine if they accurately reflect position reporting structures and job duties performed.

Audit Testing

The audit team will also conduct a series of audit tests to corroborate key processes, obtain evidence of supporting documentation, and validate compliance with Killeen ISD Board policies. Table 3 provides a high-level summary of the tests that can be executed. The actual tests performed will be based on information collected early in the audit that points to potential control weaknesses.

Table 3. Booster Club Audit Testing

Test Description	Test Overview
Booster Club Registry Verification	This test evaluates whether KISD maintains a complete and current registry of all approved booster clubs. It will review documentation for nonprofit status, bylaws, and IRS Form 990 submissions. The audit will assess whether these records are updated annually and centrally stored. It will also verify that clubs are legally separate entities.
Statement of Purpose Compliance	This test assesses whether booster clubs submit a Statement of Purpose at the beginning of each school year. It will review submission logs and compare them to the list of active clubs. The audit will evaluate follow-up procedures for missing submissions. It will also assess whether the statements align with district expectations.
Financial Report Monitoring	This test evaluates whether monthly and annual financial reports are submitted and reviewed by the district. It will examine submission records and review logs or notes from district staff. The audit will assess whether the district identifies and addresses irregularities. It will also evaluate the consistency of follow-up actions.
MOU Compliance Review	This test assesses whether all active booster clubs have signed MOUs with the district. It will review the MOUs for required elements such as facility use, fundraising restrictions, and officer training. The audit will evaluate whether MOUs are updated annually. It will also assess how the district enforces MOU terms.

Test Description	Test Overview
Privilege Revocation Procedures	This test evaluates whether the district has clear procedures for revoking booster club privileges. It will review policy documents and past enforcement actions. The audit will assess whether revocations are documented and communicated. It will also evaluate whether procedures are consistently applied across campuses.
Oversight Role Segregation	This test examines whether the district segregates duties in its oversight of booster clubs. It will review staff roles and responsibilities related to audit review, fundraiser approval, and financial monitoring. The audit will assess whether any conflicts of interest exist. It will also evaluate whether role separation is documented and enforced.
Administrator Training Program Review	This test assesses the training provided to campus administrators and activity directors on booster club oversight. It will review training materials, attendance logs, and frequency of sessions. The audit will evaluate whether training covers key compliance and financial topics. It will also assess whether training is mandatory and regularly updated.
Employee Fund Handling Controls	This test evaluates whether the district has controls to prevent employees from handling booster club funds. It will review policies, training, and incident logs. The audit will assess whether exceptions are documented and addressed. It will also evaluate whether staff understand and follow these restrictions.
Secure Fund Collection Procedures	This test examines whether secure drop boxes or equivalent procedures are in place for collecting funds. It will review physical security measures and collection logs. The audit will assess whether access is restricted and documented. It will also evaluate whether procedures align with district financial policies.
Concession Stand Compliance	This test assesses whether booster club-operated concession stands comply with district guidelines. It will review permits, staffing records, and sales logs. The audit will evaluate whether food handling, cash management, and reporting procedures are followed. It will also assess whether district staff monitor compliance during events.

Source. Gibson Consulting Group

Asset and Risk Management Follow-up Audit
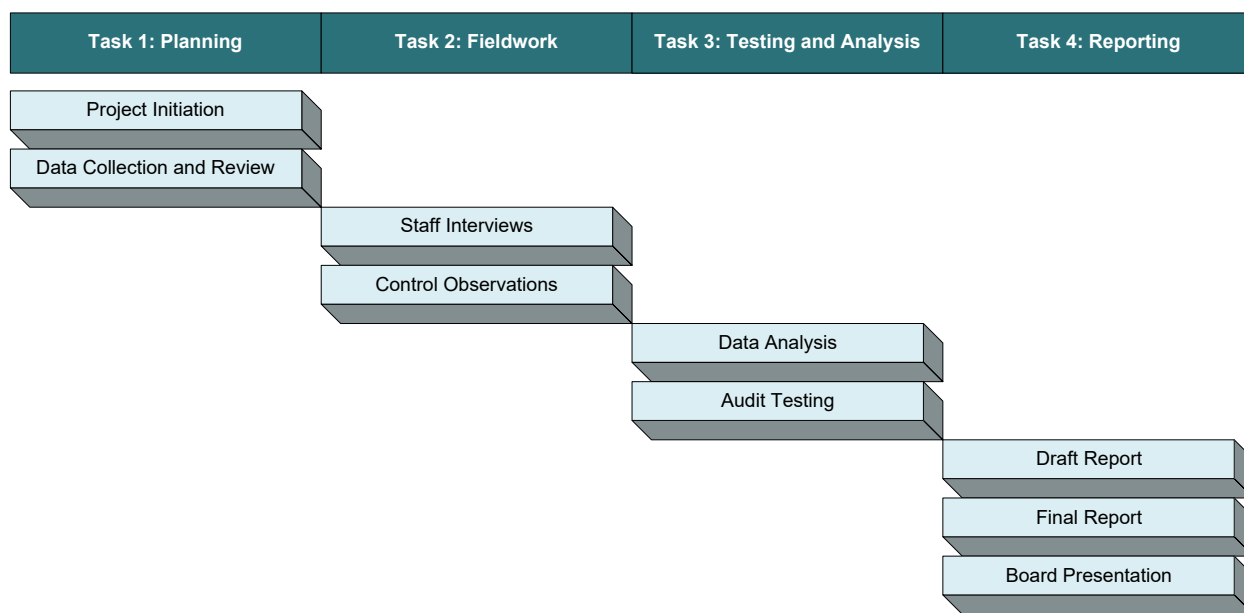
Follow-Up Audit Approach

Follow-up audits are different from initial audits and are an important element of the internal audit life cycle. The objective of a follow-up audit is to evaluate the progress of the administration in implementing recommendations from a previous internal audit. Accordingly, the scope is limited to those recommendations. No other areas or topics will be addressed in the audit unless explicitly stated in this cost proposal.

A follow-up audit starts with the administration's self-assessment of progress, then looks for evidence of implementation or progress. For each audit recommendation, the follow-up will assess whether the recommendation implementation status falls under one of the following four categories:

- Not Started;

- Partially Complete;

- Substantially Complete; or

- Complete.

The approach for a follow-up audit is accordingly different from the initial audit, but has the same major tasks. This approach is presented in Figure 3 and discussed in greater depth below.

Figure 3. Follow-up Audit Project Overview

Task 1: Planning	Task 2: Fieldwork	Task 3: Testing and Analysis	Task 4: Reporting
Project Initiation			
Data Collection and Review			
	Staff Interviews		
	Control Observations		
		Data Analysis	
		Audit Testing	
			Draft Report
			Final Report
			Board Presentation

Task 1: Planning

We will conduct a project orientation meeting with the Killeen ISD project liaison and the BAC to discuss the scope and objectives of the audit and to finalize the schedule. We will review the most recent audit implementation dashboard to serve as the baseline implementation status for each recommendation, and will use the information included in the dashboard to create our data request.

We will submit a data request to the district, and will use the project orientation meeting to answer any questions regarding the request. The data request will focus on obtaining evidence that supports management's implementation status for each recommendation. We expect that it will take up to two weeks for Killeen ISD to provide all of the requested data for the audit, and we will begin analyzing the data as soon as it becomes available, in order to prepare for the fieldwork.

Task 2: Fieldwork

The purpose of the fieldwork is to gain a deeper understanding of how implementation of recommendations occurred and discuss any obstacles that may exist that limit implementation progress. Fieldwork activities will include interviews with department leadership and other department staff involved in the implementation of audit recommendations.

Task 3: Testing and Analysis

We will analyze data and other evidence of implementation and, where applicable, repeat audit tests from the initial audits where exceptions were noted. We will use the results of our testing, analysis, and interviews to form the basis of our assessment of each recommendation's implementation status. We will also include key factors supporting our assessment of each recommendation. If Killeen ISD has not made significant progress on implementing one or more recommendations, we may suggest an additional follow-up audit.

Task 4: Reporting

Similar to the initial audits, we will submit a draft follow-up audit report to the KISD administration for feedback, and obtain validation of factual information. Upon receiving a single, consolidated set of comments from the district, we will make appropriate modifications and present the results to the BAC. We will also be available, as requested, to make a presentation of the report to the Killeen ISD Board.

Follow-up Audit Scope

Gibson will conduct a follow-up audit of the recommendations made in our 2017-18 report entitled *Killeen ISD Asset and Risk Management Audit*. Our follow-up work will involve interviews of the staff responsible for implementing recommendations, reperforming testing and data analyses where exceptions supported the development of a recommendation, and reviewing documents that demonstrate full or partial completion of the recommendations.

Table 4 presents the recommendations from the initial audit, their respective priorities, and management's implementation decision (i.e., agree, partially agree, disagree). Recommendations with a decision of 'disagree' are not assessed in the follow-up audit.

Table 4. Summary of Recommendations for the Asset and Risk Management Audit

No.	Priority	Recommendation	Implementation Decision
1	Medium	Enhance the documentation of processes and procedures for fixed asset operations.	Agree
2	Low	Track performance measures against written goals and objectives.	Agree
3	Low	Modify job descriptions to ensure that they accurately reflect the requirements, responsibilities and duties, and reporting structure for each position.	Partially Agree

No.	Priority	Recommendation	Implementation Decision
4	Medium	Utilize construction in progress accounts to properly capitalize asset projects.	Disagree
5	High	Implement review procedures for asset creation and modifications in TEAMS.	Agree
6	Low	Update the Capital Asset accounting policy to reflect more realistic useful life ranges.	Partially Agree
7	Low	Perform data validation activities on the asset register to help determine which assets are potentially out of service and can be disposed.	Partially Agree
8	Medium	Perform annual training for all employees responsible for receiving, maintaining, transferring, or disposing fixed assets.	Agree
9	Medium	Assign campus location codes to school nutrition fixed assets.	Agree
10	Medium	Implement the use of scanners during the inventory process.	Disagree
11	Medium	Implement a standard, electronic disposal request form within TEAMS.	Partially Agree
12	Medium	Grant read-only access to the TEAMS fixed asset module to the Director of Purchasing.	Agree
13	High	Ensure that the Risk Management Unit proactively reviews property and liability coverages, exposures, limits, and losses.	Agree
14	Medium	Review audited financial information for all insurance coverages with inter-local self-funded risk pools.	Agree
15	Medium	Implement processes and procedures to regularly review workers' compensation losses to focus loss prevention and control efforts.	Agree
16	Medium	Review the district's financial contribution to the self-insurance fund.	Disagree
17	Medium	Plan a coordinated insurance competitive bidding process.	Agree
18	Medium	Administer campus and facility safety loss control surveys annually, analyze results, and ensure corrective actions are taken.	Agree
19	High	Develop a comprehensive risk management plan that includes input from all departments.	Agree
20	High	Hire a loss control specialist to support the district's risk management activities.	Agree
21	Medium	Develop a risk communication channel, including quarterly and annual risk management reports, so district leadership is properly informed.	Agree

Source. Gibson Consulting Group

Program Management

Gibson will help to guide the BAC through each of the audits, assist in managing BAC meetings, develop monthly program progress reports, assist in audit planning, and actively monitoring recommendation implementation. This includes continued maintenance of the internal audit implementation dashboard. Gibson will also develop quarterly audit implementation deliverables and additional touchpoints with the Superintendent and Board to stay apprised of risks facing KISD. The quarterly audit implementation deliverable will include results of our analysis of the implementation dashboard. Our quarterly analysis will highlight the changes made to each of the following implementation aspects:

- Percentage complete;
- Estimated completion date; and
- Information included as evidence and notes.

We will document our observations in a bulleted report, which will be provided to the Killeen ISD BAC Chair each quarter. Additionally, the internal audit dashboard will be updated quarterly by Gibson.

Additional touchpoints with the Superintendent and Board are necessary for keeping us in sync with the dynamic risk profile within KISD. These conversations will occur at least quarterly, taking no more than 30 minutes. The BAC can decide if this is desired for additional Trustees not included on the Committee.

Staffing and expenditure data will be collected at the program level to increase efficiencies within the data collecting processes for individual audit projects.

Timing and Fee Estimate

We have included the expected duration of each audit and the estimated professional fees and expenses in Table 5. Specific project schedules will be developed after projects are selected by the BAC. We have based the estimates of hours and fees for these projects on our understanding of the objectives of each audit and on our familiarity with the systems and processes in place at Killeen ISD as a result of our previous work with the district.

Table 5. Audit Durations and Budgets

Area	Expected Duration	Subcontractor Use	Estimated Budget
Technology Audit	6 months	No	$130,445
Booster Club Audit	4 months	No	$80,385
Asset and Risk Management Follow-up Audit	3 months	No	$49,440
Program Management Services	Ongoing	No	$37,475
Total			**$297,745**

Table 6 provides the hourly rates for each project role participating in the audits for 2025-26.

Table 6. Hourly Rates, 2025-26

Project Role	Hourly Rate
Director	$250
Senior Auditor	$210
Auditor	$185
Professional Support	$135

Professional fees and expenses will be billed in equal monthly amounts based on the aggregate value of internal audit services selected by KISD from the month following Board approval to August 31, 2026. Payment of invoices is due within 30 days of receipt, and will be remitted to Gibson's lockbox address with Gulf Coast Bank and Trust.

* * * * *

We look forward to working with you and the members of the School Board as your internal auditors and advisors in FY 2026. Gibson will devote its best efforts to the work to be performed under this assignment, and any findings, recommendations, or other written materials will represent our best professional judgment based on the information made available to us.

If you are in agreement with the terms of this cost proposal, please sign in the space provided below and return this proposal to us.

Sincerely,

Greg Gibson, President
Gibson Consulting Group, Inc.

Accepted:
Killeen Independent School District

_____   _____
Signature   Title

_____
Date