

Audit Report

Core Unit Name: DUX

Audit ID: 2022-08-DUX-001

Audit Cycle: 2022-08/1

Audit Date: 08-30-2022

CU published BS date: 08-28-2022

Audit Result: Needs CU Action

Facilitator contact: @venture

Core Unit Clarification Received Date:

Transparency Report: <https://github.com/makerdao-dux/transparency-reporting/blob/main/Monthly%20Budget%20Statements/2022-08.md>

MIP40c3-SP26: <https://forum.makerdao.com/t/mip40c3-sp26-development-ux-core-unit-budget-dux-001/9774>

MIP40c3-SP52: <https://forum.makerdao.com/t/mip40c3-sp52-development-ux-core-unit-budget-dux-001/12085>

MIP40c3-SP27: <https://forum.makerdao.com/t/mip40c3-sp27-development-ux-core-unit-mkr-budget-dux-001/9777>

Approved
Approved with comments
Needs action before approval
Rejected

#	Audit Question					Audit Assessment	Core Unit's Clarification	Immediate CU Action to improve transparency report	Medium Term CU Action to improve transparency report
	Audit Questions to the structure of the transparency report and consistency with DUX MIP40c3-SP52								
0.1	Are the sections in the transparency report in the right order: Actuals, Forecast, MKR vesting and Transfers?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes.			
0.2	Does the actual section include breakdowns per wallet with Budget Category, Forecast, Actuals, Difference and Payments?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes.			
0.3	Does the budget forecast cover 3 months with summary and budget category breakdown?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes.			
0.4	Does the budget forecast summary and breakdown contain the quarterly budget caps for comparison?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes.			
0.5	Does the budget forecast summary contain the Global/total budget cap?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes.			
0.6	Are the budget forecast categories in the transparency report the same as in the MIP40c3-SP52?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes.			
	Is the operational wallet Multi-sig wallet setup the same as described in the MIP40c3-SP52?					No. DUX clarified the change of wallet address for one team member in Feb 2022. ETH address eth: 0xEd1cC76C86AaE8eA08b1B918aB2eDc4A1465745c was added February 8th 2022 and eth: 0xf666e9288BDEfD84A9DEE179Ac226be16ec850DA was removed on February 9th 2022. Operational wallet controlled by the current DUX Core Unit team Address: 0x8Cd0ad5C55498Aacb72b6689E1da5A284C69c0C7 Signers eth:0x14341f81dF14cA86E1420eC9e6Abd343Fb1c5bfc eth:0x388e9e5a889C4cDF3f752C1AFcF88B75BD6E73eE eth:0x8967A9ad5097adb8603922A0b34d0633cb2daD6d eth:0xD797d7ea4B440aA933c9DdABeBcF1C879F0a1018 eth:0xda8E5b5DD1475B9BE382a5Dfe2602754A9f9342A eth:0xEd1cC76C86AaE8eA08b1B918aB2eDc4A1465745c		The Budget Implementation diagram in the MIP40c3-SP52 was updated with the new operational wallet eth address eth: 0xEd1cC76C86AaE8eA08b1B918aB2eDc4A1465745c and the removal of eth address eth: 0xf666e9288BDEfD84A9DEE179Ac226be16ec850DA	
0.7		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
0.8	Is the DUX operational wallet controlled by more than 1 signer?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes, the DUX operational wallet has a current policy of 3 out of 6 signers			
	Is the auditor's wallet Multi-sig wallet setup the same as described in the MIP40c3-SP52?					Yes. The Auditor Wallet requires 2 out of 2 confirmations. Auditor's wallet eth address: eth: 0xSA994D8428CCEbCC153863CCdA9D28e6352f89ad Signers: Accountant role wallet eth: 0xA2A855Ac8D2a92e8A5a437690875261535c8320C Auditor role wallet eth: 0xB2da57e224949acDDe173a5b8A8160c023ea86e6			
0.9		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
0.10	Has the DUX auditor wallet receive funds from the protocol?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	The Auditor Wallet received 322,383 DAI from the protocol on July 25, 2022. https://gnosis-safe.io/app/eth: 0xSA994D8428CCEbCC153863CCdA9D28e6352f89ad/transactions/history			
0.11	Has the DUX auditor wallet sufficient funds to top up the Dux operational wallet?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes. The Auditor Wallet's current balance is 283,564.43156237 DAI on August 30th, 2022.			
0.12	Has the DUX operational wallet received a top-up after the audit of the last transparency report?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No, the DUX operational wallet did not receive the top-up amount requested in the July 2022 Budget statement due to a corrections delay. The July requested amount is 130,648.56, this request is skipped, the funds requested in the August budget statement will be sent to the DUX Operational Wallet asap. https://etherscan.io/tx/0xae0d136eabf3415884ab1d69685997528a75f0c43294b035767acebc4344919f			

Audit Report

Core Unit Name: DUX
 Audit ID: 2022-08-DUX-001
 Audit Cycle: 2022-08/1
 Audit Date: 08-30-2022
 CU published BS date: 08-28-2022
 Audit Result: Needs CU Action
 Facilitator contact: @venture

Core Unit Clarification Received Date:

Transparency Report: <https://github.com/makerdao-dux/transparency-reporting/blob/main/Monthly%20Budget%20Statements/2022-08.md>

MIP40c3-SP26: <https://forum.makerdao.com/t/mip40c3-sp26-development-ux-core-unit-budget-dux-001/9774>

MIP40c3-SP52: <https://forum.makerdao.com/t/mip40c3-sp52-development-ux-core-unit-budget-dux-001/12085>

MIP40c3-SP27: <https://forum.makerdao.com/t/mip40c3-sp27-development-ux-core-unit-mkr-budget-dux-001/9777>



Audit Questions to Transparency Report - Section 1. Last Month Actuals -									
1.1	Is the actuals budget category breakdown the same as in the MIP40c3-SP52?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes.			
1.2	Is the transparency report actual's forecast the same as the forecast last published for the same month?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes.			
1.3	Are the differences between forecast and actuals explained in the transparency report?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes.			
1.4	Are the DUX actual expenses within the monthly MIP40c3-SP52 budget cap?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes.			
1.5	Are the DUX actual expenses within the Global/total MIP40c3-SP52 budget cap?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes.			
1.6	Has the DUX contributor fees any significant deviations between forecast and actuals?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	The forecast is 85,000 DAI and the actual expense is 83,148.38 DAI, this results in a positive difference of 1,851.62.	DUX explains in the budget report that the difference is due to "Variation on estimate. No outstanding reason."		
1.7	Has the DUX travel costs any significant deviations between forecast and actuals?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes. The forecast is 5,600 and the actual expense is 3,630.16	DUX explains in the budget report that the difference is due to "Booked part of the trip but not all of it, we will be paying contributors back in the ..."		
1.8	Has the DUX IT Infrastructure and services costs any significant deviations between forecast and actuals?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes, the forecast is 7,000 DAI and the actual expense is 7,791.25 DAI, which gives a negative difference of 791.25 DAI	DUX explains in the budget report that the difference is due to "Increase in costs due to high traffic in governance portal."		
1.9	Has the DUX gas fees any significant deviations between forecast and actuals?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No.			
1.10	Has the DUX Legal Services costs any significant deviations between forecast and actuals?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes, the forecast is 10,000 and the actual expense is 0.	DUX explains that the difference is due to "We are expecting to pay a legal firm, but it didn't happen yet, moving to next month."		
1.11	Has the DUX one-time expense any significant deviations between forecast and actuals?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes, the forecast is 0 DAI, and the actual expense is 1,663.	DUX explains that the difference is due to "Finished the welcome packages."		
1.12	Has the DUX Payment Services any significant deviations between forecast and actuals?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes, the forecast is 5,000 DAI, and the actual expense is 4,739.98. This gives a positive difference of 260.02.	DUX explains that the difference is due to "Slight deviation on estimation without outstanding reason."		
1.13	Has the DUX Contractor Services any significant deviations between forecast and actuals?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No.			
1.14	Has the DUX presented the correct calculation of amounts for the actuals, forecast and difference?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	No. The total sum of the Payments in the budget statement is 103,375, however the correct total amount is 103,405.		DUX should review the calculation and correct the amount as indicated under the assessment.	
1.15	Has the DUX any budget category that seems inconsistent and needs further investigation?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No.			
Audit Questions to Transparency Report - Section 2. Budget Forecast -									
2.1	Does the transparency report display the MIP40c3-SP52 caps for both total and budget categories?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes.			
2.2	Are the monthly and quarterly budget caps (both totals and per category) the same as in the MIP40c3-SP52?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes.			
2.3	Are the quarterly forecast within the bounds of the MIP40c3-SP52 budget caps?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes.			
2.4	Are the monthly forecast totals within the MIP40c3-SP52 monthly budget cap?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes.			
2.5	Has the DUX presented the correct calculation of amounts for the budget forecast?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	No. The 3-month Contributor Compensation in the budget report is 249,000. The correct calculation is 249,600.		DUX needs to check and correct the calculation in this section as indicated under assessment.	
Audit Questions to Transparency Report - Section 3. MKR Vesting Overview -									

Audit Report

Core Unit Name: DUX

Audit ID: 2022-08-DUX-001

Audit Cycle: 2022-08/1

Audit Date: 08-30-2022

CU published BS date: 08-28-2022

Audit Result: Needs CU Action

Facilitator contact: @venture

Core Unit Clarification Received Date:

Transparency Report: <https://github.com/makerdao-dux/transparency-reporting/blob/main/Monthly%20Budget%20Statements/2022-08.md>

MIP40c3-SP26: <https://forum.makerdao.com/t/mip40c3-sp26-development-ux-core-unit-budget-dux-001/9774>

MIP40c3-SP52: <https://forum.makerdao.com/t/mip40c3-sp52-development-ux-core-unit-budget-dux-001/12085>

MIP40c3-SP27: <https://forum.makerdao.com/t/mip40c3-sp27-development-ux-core-unit-mkr-budget-dux-001/9777>



3.1	Has the DUX indicated the number of FTE in the transparency report's MKR vesting overview?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes, the FTE is included in the MKR Vesting overview section of the transparency report.			
3.2	Has the MKR vesting overview the same FTE comparing it to the MIP40c3-SP27?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No. The FTE has changed from 6.0 to 5 people working full time and 1 person working 60%.			
3.4	Are the MKR vesting dates the same as in the MIP40c3-SP27?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No, the MIP40c3-SP27 includes the following vesting date December 2021 = 0 MKR. However, all other vesting dates are the same as in the MIP40c3-SP27.			
3.5	Is the MKR total budget cap in the transparency report the same as in the approved MIP40c3-SP27?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes.			
3.6	Has DUX changed the MKR amounts comparing it to the last published transparency report?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No.			
3.7	Has DUX explained the MKR change in the transparency report?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	This control can only be made if the answer to the above question is yes.			
3.8	Other observations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No.			
Audit Questions to Transparency Report - Section 4. Transfers -									
4.1	Does the DUX operational wallet balance match the transparency report current balance in the calculation made for the new transfer?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes. The current balance on August 30th, 2022 is 94,636.44 DAI.			
4.2	Are the payments from the operational wallet the same as in the actuals payments?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Yes, However the Payments total in the budget statement is 103,375, the correct amount is 103,475.		DUX should correct the Payments total amount as indicated under assessment.	
4.3	Are the MKR actuals in the MKR table correct?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes.			
4.4	Is the DUX auditor wallet current balance in MKR correct?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The auditor current MKR balance is missing in the MKR table.		DUX should add the Auditor Current balance to the MKR table.	
4.5	Other observations	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes. DUX should start using the SF standard budget categories onwards.			For the transition to the use of the SF budget categories, DUX can keep the current budget categories in the Actual Section in the September Budget Statement and use the standard classifications for the budget section of Oct. Nov. Dec. DUX could also apply this transition in the August Budget report.