

Audit Report

Core Unit Name: TechOps-001

Audit ID: 2023-01-TechOps-001

Audit Cycle: 2023-01/1

Audit Result: Approved with comments

Audit Date: 02-30-2023

Submission Date: 02-30-2023

Facilitator contact: @eskp

Core Unit Clarification Received on Date:

Transparency report: https://github.com/MakerOps/tech-001.transparency-reporting/blob/main/2023_01.md

MIP40c3-SP53: <https://forum.makerdao.com/t/mip40c3-sp53-techops-core-unit-dai-budget/12072>

MIP40c3-SP54: <https://forum.makerdao.com/t/mip40c3-sp54-techops-core-unit-mkr-budget/12079>



#	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 MIP40c3-SP53.							
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"/>	Yes.			
0.2	Does the actual section include breakdowns per Budget Category, Forecast, Actuals, Difference and Payments?	<input checked="" 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"/>	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"/>	Yes.			
0.5	Does the budget forecast summary contain the Global/total budget cap?	<input checked="" 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-SP53?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Techops has adopted the standard MakerDAO budget categories.			
	Is the Multi-sig operational wallet setup the same as described in MIP40c3-SP53?				Yes: TechOps/TDCU-001 Operational Wallet quorum (2:2) Controlled by the TechOps Core Unit team Eth Address: 0x1a3DA79ee7d830466cA752DE6a75DFe655b2f6 Signers: eth:0xA60C77efe59166F1C4a6cE2512F3c8F451f8c5 eth:bcebd4fa6c2c6014f2f7924bca6178dD42ca25B			
0.7	Is the TechOps operational wallet controlled by more than 1 signer?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes. the TechOps operational wallet has a current policy of 2 out of 2 signers			
0.8		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes: Techops Auditor Wallet quorum (2:2) Controlled by the SES Core Unit. Address: eth:0x28CD020A73601F40893B9481D8968EAD7424bC08 Signers: Accountant Role Wallet 0x2A855Ac8D2a02a8A5437f90875261535c8320C Auditor Role Wallet 0x82d857622f94940D6e7f345b8A816d023ee86e6 MCD-Pause_Proxy eth:0a8B8E3e3618774f85Cb1d074A2bafe1007F98fB Yes. The TechOps Auditor wallet received the initial funds of 1,069,250 DAI on Jan 31, 2022.			
0.9	Has the Auditor wallet received the initial funds from the protocol?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
0.10	Has the TechOps operational wallet received the funds requested in the last Budget Statement?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Techops sent back the excess funds from the operational wallet to the auditor wallet after deducting the Dec. 2022 3-month runway forecast amount.			
0.11		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
0.12	Has the TechOps Auditor wallet sufficient funds to send to the TechOps operational wallet?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes.			
	Audit Questions to Transparency Report - Section 1. Last Month Actuals -							
1.1	Is the actuals budget category breakdown the same as in the MIP40c3-SP53?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Techops is applied the MakerDAO standard budget categories.			
1.2	Is the transparency report actual's forecast the same as the last published forecast for the same month?	<input checked="" 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"/>	Yes.			
1.4	Are the TechOps CU actual expenses within the monthly approved MIP40c3-SP53 budget cap?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes.			
1.5	Are the TechOps CU actual expenses within the Global/total MIP40c3-SP53 budget cap?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes.			

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1.6	Has the TechOps CU Compensation & Benefits any significant deviations between forecast and actuals?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No.			
1.7	Has the TechOps CU Gas Expense any significant deviation between forecast and actuals?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes, the forecast is 100 and the actual expense is 0.	No gas fees this month		
1.8	Has the TechOps CU Professional Services any significant deviations between forecast and actuals?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes, the forecast is 5,130, and the actual expense is 12,240.38, this gives a negative diff. of 7,110.38.	"Expected lower invoice for services"		
1.7	Has the TechOps CU Admin Expense any significant deviation between forecast and actuals?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes, the forecast is 350 and the actual is 66.55, this gives a positive diff. of 283.45.	"Expected higher bank fees"		
1.9	Has the TechOps CU Software Expense any significant deviations between forecast and actuals?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes, The forecast is 20,000 and the actual expense is 23,065.83, this gives a negative difference of 3,064.83.	"Tools cost depends on monthly usage"		
1.10	Has the TechOps CU Software Development Expense any significant deviations between forecast and actuals?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes, The forecast is 3,000 and the actual expense is 3,770.87 this gives a negative diff. of 770.87.	"AWS bills depend on usage that month"		
1.11	Has the TechOps CU Travel & Entertainment any significant deviation between the forecast and the actuals?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No actuals in the budget statement for this category.			
1.12	Has the TechOps CU Recruiting fees any significant deviation between the forecast and the actuals?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No actuals in the budget statement for this category.			
1.13	Has the TechOps CU any significant deviation between the total actuals and the total payments?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No.			
1.14	Has the TechOps CU presented the correct calculation of amounts for the actuals, forecast and difference?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes.			
1.15	Has the TechOps CU budget statement any budget category that seems inconsistent and needs further investigation?	<input checked="" 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 summary of the MIP40c3-SP53 approved caps for both total and budget categories?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes. Note that Techops has applied for a budget to cover Feb 2023.			
2.2	Are the monthly and quarterly budget caps (both totals and per category) the same as in the MIP40c3-53?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes. Note that Techops has applied for a budget to cover Feb 2023.			
2.3	Are the monthly forecast totals within the MIP40c3-53 monthly budget caps?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The compensation & benefits is above the qly budget cap but within the global budget cap.			
2.4	Is the quarterly forecast within the bounds of the MIP40c3-53 budget caps?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes.			
2.5	Has the TechOps CU presented the correct calculation of amounts in the forecast table?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes.			
Audit Questions to Section Transparency Report - Section 3. MKR Vesting Overview -								
3.1	Has the TechOps CU indicated the number of FTE in the transparency report's MKR vesting overview?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes.			
3.2	Has the MKR vesting overview the same FTE comparing it to the MIP40c3-SP54?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No. The FTE has increased from 4.7 to 5.7 due to new hires.			
3.3	Are the MKR vesting dates the same as in the MIP40c3-SP54?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No, the vesting dates are changed for better alignment and new vesting dates are added due to new hires.			
3.4	Has TechOps CU changed the MKR amounts comparing it to the MIP40c3-SP54?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes, Techops has changed the MKR amounts due to calculation correction and new hires.			
3.5	Has TechOps CU explained the MKR change in the transparency report?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Techops changed the current MKR amounts published in October 2022 back to original amounts.			

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3.6	Other Observations	<input checked="" type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> No.			
Audit Questions to Transparency Report - Section 4, Transfers -						
4.1	Does the TechOps operational wallet balances match the transparency report current balance in the calculation made for the new transfer?	<input checked="" type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> Yes.			
4.2	Are the payments from the operational wallet the same as in the actual section payments?	<input checked="" type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> Yes.			
4.3	Are the values in the TechOps Auditor wallet table correct?	<input checked="" type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> Yes.			
4.4	Does the TechOps Auditor wallet balance match the transparency report auditor current balance?	<input checked="" type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> Yes.			
4.5	Other Observations	<input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>	End of year reconciliation shows that there is a discrepancy between the operational wallet outflow of funds and the total actuals reported. Techops needs to find the reason for the discrepancy and report the missing actuals 114,136.27 DAI.			

Techops needs to find the reason for the missing actuals and correct the reports.