

Core Unit
Name **DUX**

Audit Cycle October 2021

Audit Date 11-11-2021

Core Unit Clarification Received on Date 11-11-2021

Facilitator contact @Venture

Transparency report: <https://github.com/makerdao-dux/transparency-reporting/blob/main/Monthly%20Budget%20Statements/2021-11.md>

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

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

Audit outcome on the day of audit

No Issue up to (+/-5 %)

Low up to (+/-15 %)

Medium over (+/-15 %)

High Breach of budget cap

Critical Exceeds 20% budget cap

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Audit outcome following clarification

No Issue up proceed to fund the C

High Breach of budget cap

Critical Exceeds 20% budget cap

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Audit Findings (see detail grading description below)

AP No	#	Audit Question	No Issue	Low	Medium	High	Critical	Audit Evidence	Clarification	Recommendations for improvement
Audit Questions to Transparency Report Section 1. Budget Forecast										
1.0	1.1	Is the published quarterly budget in the Current transparency report in line and within the Core Unit's MIP40 approved budget breakdown categories?								
1.0	1.2	Is the Core Unit's quarterly forecast within the Core Unit's approved budget limit?								
1.0	1.3	Are the current months actuals not exceeding the forecast made for current month?								
Audit Questions to Transparency Report Section 1. Last Month Actuals										
2.0	2.1	Is the actuals budget category breakdown in line with the approved budget limit?								
2.0	2.2	Has the core unit changed the actual's forecast compared to the previous published forecast for the same month?								
2.0	2.3	Has the Core Unit's contractor fees any significant deviations between forecast and actuals?								
2.0	2.4	Has the Core Unit's Hardware costs any significant deviations between forecast and actuals?						The Hardware Forecast is 21,000 and the Actuals is 986.70. This results in a difference of 20,023.2	The Core Unit used a Hardware forecast that covers the period of 3 years	Allocate the amount over 36 months.
2.0	2.5	Has the Core Unit's Gas fees any significant deviations between forecast and actuals?								To purchase ETH for operational use directly and not via Accountable.
2.0	2.6	Has the Core Unit's Software costs any significant deviations between forecast and actuals?						The software forecast is 5,290 and the Actual expense is 6,285.15. The difference is -955.15.	The negative difference is due to the first-time purchase of an IT subscription. This cost will decrease in time.	
2.0	2.7	Has the Core Unit's Salary fees any significant deviations between forecast and actuals?						The salary fees Forecast is 7,250 and the Actual is 0.	SES is paying for the Salary Fees until DUX agreement with Accountable is in place.	
2.0	2.8	Has the Core Unit's Travel costs any significant deviations between forecast and actuals?						The travel Forecast is 7,500 and the actual travel expenses are 4,444.11. The difference is 3,055.89	All travel costs are paid based on expense receipts.	
2.0	2.9	Has the Core Unit's Legal costs any significant deviations between forecast and actuals?						The legal Forecast is 10,000 and the actual expense is 0.	Budgeted in the total amount for future needs, not needed for now.	
2.0	2.10	Has the Core Unit's Deposits costs any significant deviations between forecast and actuals?						The Forecast is 20,000 and the actual is 2,500, the difference is 17,500.	Only 2,500 DAI was required by Accountable as a deposit that will cover exchange rates variation if needed.	
2.0	2.11	Has the Core Unit's Budget breakdown any new cost categories?								
2.0	2.12	Has the Core Unit's actuals, forecast and difference no errors in the calculations?								
2.0	2.13	Has the Core Unit the same amount under payments and actuals?								
2.0	2.14	Has the Core Unit any budget category that seems inconsistent and needs further investigation?								
Audit Questions to Section Transparency Report Section 3. MKR Vesting Overview										
3.0	3.1	Has the Core Unit the same FTE comparing it to the previous published report?								
3.0	3.2	Has the Core Unit changed the MKR vesting dates comparing it to the previous published forecast?								
3.0	3.3	Has the Core Unit changed the MKR amounts comparing it to the previous published forecast?						The MKR total amount changed from 1,103.61 to 1,099.05. The Core Unit has added a total of 4,56 MKR due to salary adjustments.		
3.0	3.4	Has the Core Unit explained the MKR change in the transparency report?								
3.0	3.5									
Audit Questions to Section Transparency Report Section 4. Transfers										

Audit Form

Core Unit

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4.0	4.1	Verify that the wallet balances match the transparency report current balance in the calculation made for the new transfer								

* this numbers makes the reference to the sections on the audit procell manual

Documents used for this audit:

-MIP40 that shows the description of the individual Core Unit's quarterly approved budget.

-The Core Unit's Transparency Reports published on Github-

-The Core Unit Wallet transactions

Comments

All deviations have been explained by the DUX Core Unit's facilitator, therefore the auditors propose that the funds requested should be realized to this Core Unit.

Severity specification	Transparency Report Deviations	Meaning (when non-numerical concerns arise, the auditor will assess severity on a case by case basis and address it with the Core Unit.)
No Issue	up to (+/-5 %)	The auditors have not encountered any material deviations, i.e. it is within an acceptable range.
Low	up to (+/-15 %)	The auditors have encountered deviations that require clarification from the Core Unit.
Medium	over (+/-15 %)	The auditors have encountered significant deviations that require clarification from the Core Unit.
High	Breach of budget cap	The auditors have encountered that the spend exceeds the budget cap andoption1) inform the community directly and realize the funds equal to budget cap only or option 2) Auditor request core unit to correct the forecast in order not to breach the budget cap.
Critical	Exceeds 20% budget cap	The auditors are concerned about the management of the Core Unit's funds and therefore, the auditors will raise their concern with the community.