

## Audit Report

Core Unit Name: SAS

Audit ID: 2023-01-SAS001

Audit Cycle: 2023-01/1

Audit Result: Needs CU action

Audit Date: 2023-02-17

Budget Statement Submission Date: 2023-02-13

Facilitator contact: @danik

Core Unit Clarification Received on Date:

Transparency Report: <https://github.com/makerdao-sas/transparency-reporting/blob/main/Monthly%20Budget%20Statements/2023-01.md>

MIP40c3-SP43: <https://forum.makerdao.com/t/mip40c3-sp43-adding-sidestream-auction-services-core-unit-budget-sas-001/10799>

MIP40c3-SP44: <https://forum.makerdao.com/t/mip40c3-sp44-adding-sidestream-auction-services-core-unit-mkr-budget-sas-001/10802>



#	Audit Question					Audit Assessment	Core Unit's Clarification	Immediate CU Action to improve transparency report	Medium Term CU Action to improve transparency report
	<b>Audit Questions to the Structure of the transparency report and consistency with SAS MIP40c3-SP85 New Bear Budget</b>					Note.- This audit has assessed the data published by SAS in Github "SAS:Janaury 2023 Budget Statement" and the SAS MakerDAO expense site at <a href="https://expenses.makerdao.network/">https://expenses.makerdao.network/</a> .			
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 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. SAS has submitted a New budget request on October 6th, 2022 <a href="#">MIP40c3-SP85</a> . The requested budget was rejected, however, the request of funds to cover expenses from Dec 2022 to March 2023 based on the New bear budget was granted.			
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-SP43?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	SAS is using the MakerDAO standard budget categories in the budget statement.			
0.7	Is the SAS operational Multi-sig wallet setup the same as described in the MIP40c3-SP85?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes. SAS Operational Wallet quorum (2:3)  Controlled by the SAS Core Unit team Address: 0x465AA62a82E220B331f5ECcA697c20E89554B298 Signers 0x274736890166046f00f424fEB64b2E468841ebfE 0x4f3B7fb6204C614B28F0e1f50Dc1C99175631678 0xD95802afC02B49e5C1a6016D44d08fe37EAFec9d			
0.8	Is the SAS operational wallet controlled by more than 1 signer?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes, the SAS operational wallet has a current policy of 2 out of 3 signers			
0.9	Has the SAS auditor wallet receive the initial seed funds from the protocol prior transfer to the SAS wallet?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes, the auditor wallets has received 245,738 DAI from the protocol <a href="https://etherscan.io/tx/0xab810a967ba4a68862c4433ec4185fba1a3ff121bf4b38535a2aab4a8e9908a4">https://etherscan.io/tx/0xab810a967ba4a68862c4433ec4185fba1a3ff121bf4b38535a2aab4a8e9908a4</a> The MIP40c3-SP43 total busget cap less contingency buffer is 245,737.50 DAI and with the 15% buffer included the grand total is 282,598.13.			
0.10	Has the SAS operational wallet received a top-up after the audit of the last transparency report?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes, the SAS operational wallet received the requested amount in the December 2022 expense report.			
0.11	Is the SAS Auditor Multi-sig wallet setup the same as described in the MIP40c3-SP85?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes. SAS Auditor Wallet quorum (2:2) eth address:0xb1f950a51516a697E103aaa69E152d839182f6Fe Signers: SES Auditor Role Wallet eth:0xb2da57e224949acDDe173a5b8A8160c023ea86e6 SES Accountant Role Wallet eth:0xA2A855Ac8D2a92e8A5a437690875261535c8320C Maker Protocol MCD_Pause_Proxy 0xBEBE3e3618f7474F8cB1d074A26affef007E98FB			
0.12	Has the SAS Auditor wallet received the funds from the protocol?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes. The last transaction was 177,605.74003198 DAI received on October 28th, 2022. <a href="https://etherscan.io/tx/0x885b5862f787c00fb0b2e0f567721a1ae2e271f4f09268112f2581d278c94d59">https://etherscan.io/tx/0x885b5862f787c00fb0b2e0f567721a1ae2e271f4f09268112f2581d278c94d59</a> The SAS auditor wallet has returned 81,501.52 DAI to the protocol on November 10th, 2022. <a href="https://etherscan.io/tx/0x8396394c2f847cbd42abdca7447dfb5ccec8837a658b339345ed228809a39df0">https://etherscan.io/tx/0x8396394c2f847cbd42abdca7447dfb5ccec8837a658b339345ed228809a39df0</a> The auditor wallet balance is 4,728.2526 on February 2023.			
0.13	Has the SAS Auditor wallet sufficient funds to be sent to the SAS operational wallet?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes.			
	<b>Audit Questions to Transparency Report - Section 1. Last Month Actuals -</b>								
1.1	Is the actuals budget category breakdown the same as in the MIP40c3-SP85?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	SAS is using 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"/>	<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 SAS actual expenses within the monthly MIP40c3-SP85 buget cap?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes.			
1.5	Are the SAS actual expenses within the quarterly total MIP40c3-SP85 budget cap?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes.			
1.6	Has the SAS Compensation and Benefits cost any significant deviations between forecast and actuals?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No. There is a perfect match.			
1.7	Has the SAS Travel & Entertainment cost any significant deviations between forecast and actuals?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No.			
1.8	Has the SAS Software Development Expense any significant deviations between forecast and actuals?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No.			
1.9	Has the SAS Software Expense 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 Admin Expense any significant deviations between forecast and actuals?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No.			
1.11	Has the SAS Professional Services cost any significant deviations between forecast and actuals?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes. The forecast is 2500 and the actual expense is 2,450 this gives a positive diff. of 50.	"Legal Consultation due to Contributor Contract Cancellations"		
1.12	Has the SAS Gas Expense any significant deviations between forecast and actuals?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes. The gas fees forecast is 500 and the actual expense is 60.50 this gives a positive diff. of 439.50.	"lower gas fees than expected"		
1.13	Has the SAS 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 difference total in the budget report is 489.50, the correct amount is \$539.50.		SAS needs to correct the Diff. Forecast -Actual total amount in the Actuals section.	
1.14	Has the SAS 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 -						Note that SAS MIP40c3-SP43 expired on November 2022. The assessment will be based on MIP40c3-SP85 NewBear budget and the SAS spending granted permission.			
2.1	Does the transparency report display the MIP40c3-SP85 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-SP85?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes.			
2.3	Are the monthly forecast totals within the MIP40c3-SP85 monthly budget cap?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes.			
2.4	Is the quarterly forecast within the bounds of the MIP40c3-SP85 budget caps?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	SAS forecast ends in March 2023, therefore the values for April 2023 should be 0.		SAS needs to correct the forecast for April 2023 as indicated under assessment.	
2.5	Has the SAS presented the correct calculation of amounts in the budger forecast section?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	No. The total 3-month forecast amount needs correction.		SAS needs to update the forecast section.	
Audit Questions to Transparency Report - Section 3. MKR Vesting Overview -									
3.1	Has the SAS 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.			
3.2	Has the MKR vesting overview the same FTE comparing it to the MIP40c3-SP44?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes.			
3.3	Are the MKR vesting dates the same as in the MIP40c3-SP44?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes.			SAS should add the year complete the December date 2023 on the original approved budget and review the MKR budget taking in consideration new onboardings.
3.4	Has SAS changed the MKR amounts comparing it to last month?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No.			
3.5	Has SAS 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 above question is yes.			
3.6	Is the SAS auditor wallet's lifetime MKR transfer amount correct?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes.			
3.7	Is the SAS MKR current balance in the auditor wallet correct?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes. The current MKR balance is 0.			
Audit Questions to Transparency Report - Section 4. Transfers -									
4.1	Does the SAS 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"/>	<input type="checkbox"/>	Yes, the current balance in the transparency report is 124,294.5 DAI and the actual balance in the operational wallet is 124,294.5 DAI on February 17th. 2023. <a href="https://gnosys-safe.io/app/eth:0x465AA62a82E220B331f5ECcA697c20E895548298/balances">https://gnosys-safe.io/app/eth:0x465AA62a82E220B331f5ECcA697c20E895548298/balances</a>			

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"/>	<input type="checkbox"/>	Yes. The payment amount in the budget statement is 61,338.00 DAI and on-chain trx. is 61,338.00 DAI on February 14th, 2023. <a href="https://etherscan.io/address/0x465AA62a82E220B331f5ECcA697c20E895548298#?token=0x">https://etherscan.io/address/0x465AA62a82E220B331f5ECcA697c20E895548298#?token=0x</a>			
4.3	Is the SAS latest Github Budget Statement consistent with the data provided in the MakerDAO Ecosystem Dashboard?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	SAS needs to upload the data to <a href="https://expenses.makerdao.network/core-unit/SAS/finances/reports?viewMonth=Jan2023&amp;transfer-requests">https://expenses.makerdao.network/core-unit/SAS/finances/reports?viewMonth=Jan2023&amp;transfer-requests</a>			