

Audit Report

Core Unit Name: DUX
Audit ID: 2023-01-DUX-001
Audit Cycle: 2023-01/2
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Audit Result: Approved with comments
Facilitator contact: @venture

Core Unit Clarification Received Date:

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

MIP40c3-SP82: <https://mips.makerdao.com/mips/details/MIP40c3SP82Zhaagagah-summary>

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 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 and MIP40c3-SP82					Note that DUX has a new approved budget per Feb 1st. 2023 MIP40c3-SP82.			
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"/>	DUX has adopted the standard MakerDAO nomenclature for the budget categories.			
	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:0xEd1cC76C86aE8eA08b1B918aB2eDc4A1465745c was added February 8th 2022 and eth:0x066e9288BDFD84A9DEE179Ac22b6e16e850DA was removed on February 9th 2022.			The Budget Implementation diagram in the MIP40c3-SP52 was updated with the new operational wallet eth address eth:0xEd1cC76C86aE8eA08b1B918aB2eDc4A1465745c and the removal of eth address eth:0x666e9288BDFD84A9DEE179Ac22b6e16e850DA
0.7	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.			
0.8	Is the auditor's wallet Multi-sig wallet setup the same as described in the MIP40c3-SP52?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes. The Auditor Wallet requires 2 out of 2 confirmations. Auditor's wallet eth address: eth:0x5A99d8428CCEBcC153863C6dA9D28e6352f89ad Signers: Accountant role wallet eth:0xA2A855Ac8D2a92e8A5a437690875261535c8320C Auditor role wallet eth:0xB82da57e224949acDDe173a5b8A8160c023ea86e6			
0.9	Has the DUX auditor wallet receive funds from the protocol?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	All funds from vesting stream 22 were claimed and all the excess funds were returned to the Dsblow. New vesting stream ID 14 is currently active.			
0.10	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"/>	All funds from vesting stream 22 were claimed and all the excess funds were returned to the Dsblow. New vesting stream ID 14 is currently active. New DAI stream ID 14 started on February 1st, 2023.			
0.11	Has the DUX 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. DUX has received the requested funds in the December 2022 budget statement.			

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 type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes.		DUX needs to update the comments at expense.makerdao.network	
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.			
	Has the DUX Compensation & Benefits any significant deviations between forecast and actuals?								
1.6		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	The forecast is 94,928.44 DAI and the actual expense is DAI, this results in a positive difference of 19,341.82.	"New team member invoice not paid. Another team member skipped his invoice for next month."		
1.7	Has the DUX Travel & Entertainment any significant deviations between forecast and actuals?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes. The forecast is 4,500 and the actual expense is 3,762.45, this results in a positive difference of 737.55.			
	Has the DUX Software Expense any significant deviations between forecast and actuals?					Yes, the forecast is 2,418.61 and the actual expense is 11,605.28, this gives a negative difference of 9,186.67. This expense is over the approved budget of 9,000 per month, however the total expenses are within the monthly approved budget cap.	"Alchemy not forecasted and higher overall software costs than forecasted (variable rates, no outstanding reason)"	DUX needs to improve the explanation for the difference.	
1.8		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
1.9	Has the DUX Gas Expense any significant deviations between forecast and actuals?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	This budget category was not reported in the Actual section.			
	Has the DUX Admin 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 4,700 DAI and the actual expense is 4,659.28, which gives a positive difference of 40.72.	"Higher payment processor fees."		
1.10		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
1.11	Has the DUX one-time expense any significant deviations between forecast and actuals?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	This budget category was not reported in the Actual section.			
1.12	Has the DUX Professional Services any significant deviations between forecast and actuals?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No.			
1.13	Has the DUX presented the correct calculation of amounts for the actuals, forecast and difference?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes.			
	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.			
1.14		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
	Audit Questions to Transparency Report - Section 2. Budget Forecast - MIP40c3-SP82						Note that DUX has a new approved budget per Feb 1st, 2023		
2.1	Does the transparency report display the MIP40c3-SP82 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 MIP-40c3-SP82?	<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 and MIP-40c3-SP82 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 MIP-40c3-SP82 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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes.			
	Audit Questions to Transparency Report - Section 3. MKR Vesting Overview -								
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"/>	The Approved MKR budget covers 3 years for 6 FTEs for max. 1982.87 MKR.			
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"/>	Yes. The MKR amount with vesting date Dec 31, 2022 has changed from 210.85 to 180.6 due to a decrease in FTE.			
3.7	Has DUX explained the MKR change in the transparency report?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes.			
3.8	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 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"/>	<input type="checkbox"/>	Yes.			
4.2	Are the payments from the operational wallet the same as in the actuals payments?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes.			
4.3	Are the MKR actuals in the MKR table correct?	<input checked="" type="checkbox"/>	<input 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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes.			
	Other observations						The DUX auditor wallet returned 748,494.08 DAI to Disblow on January 31st, 2023. The auditor wallet will have a balance of 0 DAI before calling funds from the new stream that has an approved budget of 1,611,420 DAI.			
4.5		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				