

Audit Report

Core Unit Name: Deco
Audit ID: 2023-11-Deco-001
Audit Cycle: 2023-11/ 1
Audit Date: 2023-11-08
Submission Date: 2023-11-06
CU contact: Yamsi Alluri

Core Unit Clarification Received on Date:
Transparency Report: <https://expenses.makerdao.network/core-unit/DECO>
Transparency Report: <https://github.com/deco-cu/maker-cu-transparency-reporting/blob/main/monthly-budget-statements/2023-11.md>
MIP40c3-SP35: <https://forum.makerdao.com/t/mip40c3-sp35-deco-fixed-rate-core-unit-budget/10225>
MIP40c3-SP36: <https://forum.makerdao.com/t/mip40c3-sp36-deco-fixed-rate-core-unit-mkr-budget/10226>
MIPc3-SP12-Offboarding: <https://forum.makerdao.com/t/mip39c3-sp12-core-unit-offboarding-deco/22333>

| # | Audit Question | Audit Assessment | | | | Core Unit's Clarification | Immediate CU Action to Improve Monthly Budget Statement | Medium Term CU Action to Improve Monthly Budget Statement |
|-----|---|-------------------------------------|-------------------------------------|---|--------------------------|--|--|---|
| | | <div>Approved</div> | <div>Approved with comments</div> | <div>Needs action before approval</div> | <div>Pending</div> | | | |
| | Audit Questions to the Structure of the Monthly Budget Statement and consistency with Deco MIP40c3-SP35 | | | | | | | |
| | Are the sections in the Monthly Budget Statement in the correct order: Budget Description 1. Monthly Deco Revenue 2. Maker Dai Disbursements 3. Maker Protocol Credits 4. Monthly Term Operating Commitment 5. MKR Vesting Overview 6. MIP Term MakerDAO Protocol Commitment/Credit Accounting 7. Monthly Dai Transfers 8. Monthly MKR Transfers | | | | | | | |
| 0.1 | Is the budget description in the budget statement aligned with the approved MIP? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | | |
| 0.2 | Does the Budget Statement include the "Actual section" with the Budget Category breakdown, Forecast, Actuals, Difference and Payments? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | | |
| 0.3 | Is the Deco Protocol wallet set up the same as described in the MIP40c3-SP35? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Deco will add the third signer to the Deco Protocol wallet, there is no specific date for this action yet. Deco has not added the third signer and this wallet was not used during the CU lifetime. | Deco should add the third owner to the Protocol wallet as indicated in the MIP40c3-SP35. | |
| 0.4 | | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | | |
| | Is the Deco Operational wallet controlled by more than 1 signer? | | | | | | | |
| 0.5 | | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Address: eth:0x56349A38e09360396AF77309690d2178ef0bF Signers: eth:0x51A0cd013A1F96E86e9e789dE0cA362Cdc9380E7C6 eth:eth:0x02E5C62B8789E6188e7D74F0D2A141ED6680c8 eth:0x8BE8E3e36187474F8c81d074A26aff007F98F8 Yes: Deco Auditor Wallet quorum (2:3) | | |
| | Is the Auditor wallet Multi-sig wallet set up the same as described in the MIP40c3-SP35? | | | | | Address: eth:0xF482D1031E5b172D42B2DAA1b6e5Cf6519596f7 Signers: eth:0x40468f8Da08772FD639c32A216480A1eF2EE44B3 (Removed on December 8, 2022) eth:0x4714C7EF5D0213615FC6C88877B524eC433e9a eth:0xFCa6e196C2a05d57E64D9397e283C2AFe57344b75 eth:0x42A855A8d2a92a8A5a437690875261535c8320C (Added on September 15th) | | |
| 0.6 | | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | | |
| | Has the Deco Auditor wallet received the funds from the protocol prior transfer to the Deco Operational Wallet? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | No, the Deco Auditor wallet has sufficient funds available https://etherscan.io/tx/0x49f04c76c275a096937d4bf1a8ed844fe247f56a002c174cd2e37603b34e9 | | |
| 0.7 | | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Yes. https://app.safe.global/balances?safe=eth:0xF482D1031E5b172D4282DAA1b6e5Cf6519596f7 | | |
| 0.8 | Has the Deco Auditor wallet sufficient funds to send the requested Dai to the Deco Operational wallet? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | | |

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|------------------------------|
| Approved |
| Approved with comments |
| Needs action before approval |
| Escalate |

CU contact: Vamsi Alluri

Transparency Report: <https://expenses.makerdao.network/core-unit/DECO>

MIP/0-3-SP35: <https://forum.makardan.com/t/min/0-3-sp35-down-fixed-rate-core-unit-budget/10275>

WIP-40C3-SP50; <https://forum.makergad.com/t/wip40c3-sp50-deco-plate-core-plate-mmk1-buuge/10220>

| | | | | | | Yes: Deco Operational Wallet quorum (2:3) | |
|--|---|-------------------------------------|--------------------------|--------------------------|--------------------------|--|--|
| Is the Deco operational wallet controlled by more than 1 signer? | | | | | | Controlled by the DECO Core Unit team Address: eth:0x56349A38e09F60396AF77309690d217Bcaf0bF Signers eth:0x02E5c56288789Fe1a8e7D74f0F02A141ED680c8 owner eth:0x40126C768E72a3Dc7FD02486928F51c2a2498 swapped on July 24, 2022 for current owner eth:0x51A0cd03A1896E8e9e789dE0cA362Cd93B0E7C6 eth:0x6EE83e361817474F8c81d074A26a1Fe007E98F8 | |
| 0.9 | | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | |
| Audit Questions to section - 1. Monthly Deco Revenue - | | | | | | | |
| Does the Monthly Revenue in DAI in the budget statement match the revenue stream in the Deco 1.1 Protocol wallet 0xA78F1F56988DA345a14d732745Cc56B822F0? | | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Yes. No trace of DAI transactions to date. | |
| 1.2 | Is the calculation of the revenue in the budget statement correct? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Yes. | |
| Audit Questions to section - 2. MakerDAO Disbursements - | | | | | | | |
| Does the MakerDAO Disbursements match the approved monthly fixed floor? | | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Yes. The approved monthly fixed floor is 155,208.33 DAI. | |
| 2.2 | Is the lifetime amount specified in the MakerDAO disbursements table correctly? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Yes. | |
| 2.3 | Is the prior month specified in the MakerDAO disbursements table correctly? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Yes. | |
| 2.4 | Is the prior month amount specified in the MakerDAO disbursements table correctly? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Yes. | |
| 2.5 | Is the calculation of the MakerDAO Disbursement Grand Total specified in the budget statement correct? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Yes. | |
| Audit Questions to section - 3. Maker Protocol Credits - | | | | | | | |
| 3.1 | Is the total lifetime DAI distributions amount specified correctly in the Maker Protocol Credits table? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Yes. | |
| 3.2 | Is the calculation of the Maker Protocol Credits Grand Total correct? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Yes. | |
| Audit Questions to section - 4. Monthly Term Operating Commitment - | | | | | | | |
| 4.1 | Is Deco revenue for the given month specified correctly in the monthly term operating commitment table? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Yes. | |
| 4.2 | Is Deco fixed monthly floor specified correctly in the monthly term operating commitment table? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Yes. The fixed monthly floor is 155,208.33 DAI | |
| 4.3 | Is Deco's revenue above the fixed monthly floor? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | No. | |
| 4.4 | Is the calculation of the monthly MakerDAO commitment correct? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Yes. | |
| 4.5 | Has the Deco operational wallet received the fixed amount of 155,208.33 DAI after the audit of the last transparency report/Budget Statement? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Yes. | |
| Audit Questions to section - 5. MKR Vesting Overview - | | | | | | | |
| 5.1 | Has Deco indicated the number of FTE in the Monthly Budget Statement's MKR vesting overview? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | No. Deco has a fixed rate of 1,500 MKR over three years. | |

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CU contact: Yamaï Alluri

Core Unit Clarification Received on Date:

Transparency Report: <https://expenses.makerdao.network/core-unit/DECO>

MIP40c3-SP93: <https://github.com/deco-cu/maker-cu-transparency-reporting/blob/main/monthly-budget-statements/2023-11.md>

MIP40c3-SP96: <https://forum.makerdao.com/t/mip40c3-sp96-fixed-rate-core-unit-budget/10225>

MIPc3-SP12-Offboarding: <https://forum.makerdao.com/t/mip39c3-sp12-core-unit-offboarding-deco/22333>



| | | | | | | | | | |
|--|--|-------------------------------------|--------------------------|--------------------------|--------------------------|---|--|--|--|
| 5.2 | Are the MKR vesting dates the same as in the MIP40c3-SP36? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Yes. | | | |
| 5.3 | Has Deco changed the MKR amounts, comparing it to the MIP40c3-SP36? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | No. | | | |
| 5.4 | Has Deco explained the MKR change in the Monthly Budget Statement? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | This control can only be done if the above question is yes. | | | |
| 5.5 | Is the amount of MKR for the vesting amount December 2023 correct? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Yes. The amount is 125 MKR. | | | |
| 5.6 | Is the recipient multi-sig address "Auditor wallet eth address" specified correctly? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Yes. The Auditor wallet eth address in the transparency report is 0x482D1031E5b172d42B2DAA1b6e5Cb65195967 | | | |
| 5.7 | Other observations | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Observation to previous reports; The MKR table in the September 2023 Github report has MKR and DAI currency, it should only have MKR. The Oct 2023 and Nov 2023 MKR request table should have 0.00 MKR values instead of empty cells. | Deco needs to correct the transfer currency and fix the MKR transfer tables for Oct and Nov. 2023. | | |
| Audit Questions to section - 6. MIP Term MakerDAO Protocol Commitment /Credit Accounting - | | | | | | | | | |
| 6.1 | Is the specified month in the MIP Term MakerDAO Protocol Commitment /Credit Accounting table correct? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Yes. | | | |
| 6.2 | Is the grand total Lifetime DAI Distributions including the given month specified correctly in the table? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Yes. | | | |
| 6.3 | Is the grand total Lifetime MKR Distributions MKR specified correctly in the table? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Yes. | | | |
| 6.4 | Is the calculation of the Deco Revenue Credits in DAI to Maker Protocol correct? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Yes. | | | |
| 6.5 | Other observations | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | No. | | | |
| Audit Questions to section - 7. Monthly Dai Transfers - | | | | | | | | | |
| 7.1 | Does the Deco request for the new transfer match the monthly floor? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Yes. | | | |
| 7.2 | Is the recipient multi-sig address "operational wallet ETH address" specified correctly? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Yes. The multi-sig eth address is 0x56349A38e09f36039f6AF77309690d27Bea10bF | | | |
| 7.3 | Is the MKR transfer amount correct? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Yes. | | | |
| 7.4 | Is the Lifetime MKR amount transferred to the Auditor wallet correct? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Yes. | | | |
| 7.5 | Is the Auditor wallet current MKR balance correct? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Yes. | | | |
| 7.6 | Does the Deco Operational wallet need to return excess funds to the Auditor wallet based on the November 2023 budget report? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | No. | | | |
| 7.7 | Does Deco Auditor wallet need to return excess funds to the MakerDAO Protocol based on the November 2023 budget report? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | No. | | | |
| 7.8 | Other observations | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | No. | | | |