Audit Report

Core Unit Name: RWF-001

Audit ID: 2022-09-RWF-001

Audit Cycle: 2022-09/1

Audit Result: Approved with comments

Audit Date: 11-08-2022

Submission Date: 10-27-2022

Facilitator contact: @will

Core Unit Clarification Received on Date:

Approved	(green)
Approved with comments	(yellow)
Needs action before approval	(orange)
For at sile	(red)

Transparency Report: https://github.com/makerdao-rwf001/transparency-reporting/blob/main/monthly-budget-statements/2022-09.md

MIP40c3-SP39: https://forum.makerdao.com/t/mip40c3-sp39-modify-core-unit-budget-rwf-001/10543

MIP40c3-SP38: https://forum.makerdao.com/t/mip40c3-sp38-real-world-finance-core-unit-mkr-compensation-rwf-001/10447

MIP40c3-SP61: https://forum.makerdao.com/t/mip40c3-sp61-modify-core-unit-budget-real-world-finance-rwf-001/13152

RWF-001 Auditor Flow: https://forum.makerdao.com/t/rwf-001-auditor-flow/12900

#	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 consitency with MIP40c3-SP61.					Note.- The RWF-001 has submitted a budget modification MIP40c3-SP61 on March 14th, 2022 and it was ratified on March 28th, 2022.			
0.1	Are the sections in the transparency report in the right order: Actuals, Forecast, MKR vesting and Transfers?	☑	☐	☐	☐	Yes.			
0.2	Does the actual section include breakdowns per Budget Category, Forecast, Actuals, Difference and Payments?	☑	☐	☐	☐	Yes.			
0.3	Does the budget forecast cover 3 months with summary and budget category breakdown?	☑	☐	☐	☐	Yes.			
0.4	Does the budget forecast summary and breakdown contain the quarterly budget caps for comparison?	☑	☐	☐	☐	Yes.			
0.5	Does the budget forecast summary contain the Global/total budget cap?	☑	☐	☐	☐	Yes.			
0.6	Are the budget forecast categories in the transparency report the same as in the MIP40c3-SP61?	☐	☑	☐	☐	RWF added the Due Diligenge cost category to the table. Expenses related to DD will be covered by the contingency buffer.			
0.7	Is the Multi-sig operational wallet setup the same as described in the RWF-001 Auditor Flow?	☐	☑	☐	☐	No: eth address eth:0x068c9dBDd1a5e82839413849301D40Ad018dfB8c was added to the RWF-001 Operational Wallet and a request to change the signer policy from 2 to 1 was created.

Controlled by the RWF-001 Core Unit team
Address: 0xD1505ee500791490DE8642353BA6A5b92e3550F7
Signers:
0x44d2509074993b858c54B6d276ebD3816FC93A68
0xc8E6c287F6c127AFE5e4CB30bC440607b44c35f8
0xDE0FF661Fb2d06d4F787dd23A579D64c6989BdA1
https://gnosis-safe.io/app/eth:0xD1505ee500791490DE8642353BA6A5b92e3550F7/settings/owners | Facilitator explained that the new address was a mistake as he was handling another multisig and made the request in the wrong multisig. | | |
| 0.8 | Is the RWF-001 operational wallet controlled by more than 1 signer? | ☑ | ☐ | ☐ | ☐ | Yes, the RWF-001 operational wallet has a current policy of 2 out of 3 signers | | | |
| 0.9 | Has the RWF-001 operational wallet received the funds requested in the last Budget Statement? | ☑ | ☐ | ☐ | ☐ | No. The RWF-001 operational wallet has sufficient funds. | | | |
| 0.10 | Is the Multi-sig auditor wallet setup the same as described in the RWF-001 Auditor Flow? | ☑ | ☐ | ☐ | ☐ | Yes: RWF-001 Auditor Wallet quorum (2:2)

Controlled by the RWF-001 Core Unit team
Address: 0x96d7b01Cc25B141520C717fa369844d34FF116ec
Signers:
Accountant Role Wallet 0xA2A855Ac8D2a92e8A5a437690875261535c8320C
Auditor Role Wallet 0xB2da57e224949acDDe173a5b8A8160c023ea86e6 | | | |
0.11	Has the RWF-001 auditor wallet receive the funds from the protocol in September 2022?	☑	☐	☐	☐	No. The auditor wallet received 744,732.74 DAI on August 9th, 2022 from the operational wallet due to excess of funds. https://etherscan.io/tx/0x06ff3afc935e0d618f250c5cf35c10b68677637f59499cfcd30e8ce5b5df3e15			
	Audit Questions to Transparency Report - Section 1. Last Month Actuals -								
1.1	Is the actuals budget category breakdown the same as in the MIP40c3-SP61?	☑	☐	☐	☐	Yes. The Due Diligence cost category is added to this months actuals.			
1.2	Is the transparency report actual´s forecast the same as the last published forecast for the same month?	☑	☐	☐	☐	Yes.			
1.3	Are the differences between forecast and actuals explained in the transparency report?	☑	☐	☐	☐	Yes.			

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1.4	Are the RWF-001 actual expenses within the montly approved MIP40c3-SP61 buget cap?	☑	☐	☐	☐	Yes.			
1.5	Are the RWF-001 actual expenses within the Global/total MIP40c3-SP61 budget cap?	☑	☐	☐	☐	Yes.			
1.6	Has the RWF-001 Compensation fees any significant deviations between forecast and actuals?	☑	☐	☐	☐	Yes, the forecast for September 2022 is 138,000 and the actual expense is 85,839.74 which gives a positive difference of 52,260.26.	The RWF-001 explains in the budget statement that this deviation is due to "Grantees onboarding under lower FTE."		
1.7	Has the RWF-001 Professional Services any significant deviations between forecast and actuals?	☑	☐	☐	☐	Yes, the forecast is 59,005.00 and actuals is 4,988.14 this gives a positive difference of 54,016.86.	RWF-001 explains in the budget statement that the difference is due to "Variable legal costs not incurred."		
1.8	Has the RWF-001 Real-world structures fees any significant deviations between forecast and actuals?	☑	☐	☐	☐	No.			
1.9	**Has the RWF-001 Payment fees any significant deviations between forecast and actuals?**	☑	☐	☐	☐	Yes, the payment fees forecast is 400 and the actual expense is 168 which gives a positive difference of 231.66.	Difference due to "Accountable fees is discounted from balance."		
1.10	Has the RWF-001 Gas fees any significant deviations between forecast and actuals?	☑	☐	☐	☐	No.			
1.11	Has the RWF-001 Software Costs any significant deviations between forecast and actuals?	☑	☐	☐	☐	No.			
1.12	Has the RWF-001 Travel Costs any significant deviations between forecast and actuals?	☑	☐	☐	☐	No.	"Actual travel costs not spent."		
1.13	Has the RWF-001 Due Diligence any significant deviations between forecast and actuals?	☑	☐	☐	☐	Yes. the forecast is 5,000 and the actual expense is 2,250, this gives a difference of 2,750.	RWF-001 explains in the budget statement that the difference is due to "DD visits actuals below forecast."		
1.14	Has the RWF-001 presented the correct calculation of amounts for the actuals, forecast and difference?	☑	☐	☐	☐	Yes.			
1.15	Has the RWF-001 any budget category that seems inconsistent and needs further investigation?	☑	☐	☐	☐	No.			
1.16	Other Observations	☑	☐	☐	☐	No.			
	Audit Questions to Transparency Report - Section 2. Budget Forecast -								
2.1	Does the transparency report display the summary of the MIP40c3-61 approved caps for both total and budget categories?	☑	☐	☐	☐	Yes.			
2.2	Are the monthly and quarterly budget caps (both totals and per category) the same as in the MIP40c3-61?	☑	☐	☐	☐	Yes.			
2.3	Are the monthly forecast totals within the MIP40c3-61 monthly budget cap?	☑	☐	☐	☐	Yes.			
2.4	Is the quarterly forecast within the bounds of the MIP40c3-61 budget caps?	☑	☐	☐	☐	Yes.			
2.5	Other Observations	☑	☐	☐	☐	No.			
	Audit Questions to Section Transparency Report - Section 3. MKR Vesting Overview -								
3.1	Has the RWF-001 indicated the number of FTE in the transparency report´s MKR vesting overview?	☑	☐	☐	☐	Yes.			

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3.2	Has the MKR vesting overview the same FTE comparing it to the MIP40c3-SP38?	☑	☐	☐	☐	*Budget cap is estimated on 7 FTE at 80 MKR/FTE. Current estimate FTE calculation is based on 5.7 FTE.			
3.3	Are the MKR vesting dates the same as in the MIP40c3-SP38?	☑	☐	☐	☐	Yes.			
3.4	Has RWF-001 changed the MKR amounts comparing it to the MIP40c3-SP38?	☑	☐	☐	☐	Yes. The current RWF-001 Budget has a total of 1,379 MKR, the approved budget cap is 1,680 MKR.			
3.5	Has RWF-001 explained the MKR change in the transparency report?	☑	☐	☐	☐	Yes, the MKR differences are due to FTE changes.			
3.6	Has RWF-001 Auditor wallet Received the July 2022 MKR bonus amount from the protocol?	☑	☐	☐	☐	Yes. The auditor wallet received 38 MKR on September 10th, 2022.			
	Audit Questions to Transparency Report - Section 4. Transfers -								
4.1	Are the payments from the operational wallet the same as in the actual section payments?	☑	☐	☐	☐	Yes. The payments in the budget statement is 92,960 DAI and the trx. from the operational wallet is 92,960 DAI on Oct. 13th, 2022.			
4.2	Does the RWF-001 operational wallet balances match the transparency report current balance in the calculation made for the new transfer?	☑	☐	☐	☐	Yes, the RWF-001 operational wallet balance is 482,915.32 DAI. https://gnosis-safe.io/app/eth:0xD1505ee500791490DE8642353BA6A5b92e3550F7/transactions/history			
4.3	Are the values in the RWF-001 Auditor wallet table correct?	☑	☐	☐	☐	Yes.			
4.4	Does the RWF-001 Auditor wallet balance match the transparency report auditor current balance?	☑	☐	☐	☐	Yes.			
4.5	Has the RWF-001 auditor wallet enough funds to be sent to the RWF-001 operational wallet?	☑	☐	☐	☐	Yes.			
4.6	**Other Observations**	☐	☑	☐	☐	Facilitator added a new eth address to the operational wallet and changed the signer policy from 2 to 1 eth:0x068c9dBDd1a5e82839413849301D40Ad018dfB8c	Facilitator explained that this was a mistake and that the added address should be removed.		