

Audit Report

Approved

Approved with comments

Needs action before approval

Disputed

Core Unit Name: SES - Sustainable Ecosystem Scaling Core Unit -

Audit ID: 2023-09-SES001

Audit Cycle: 2023 - 09/ 1

Audit Result: Approved with comments

Audit Date: 2023-11-16

Budget Statement Submission Date: 2023-10-03

Facilitator and team lead: @Juan @Wouter

Core Unit Clarification Received on Date:

Audit Assessment made by: Dumitru

Transparency Report: <https://expenses.makerdao.network/core-unit/SES/finances/reports?searchText=section=forecast&viewMonth=Sep2023>

MIP40c3-SP87: <https://mips.makerdao.com/mips/details/MIP40c3SP87>

MIP40c3-SP4K: <https://forum.makerdao.com/t/mip40c3-sp17-sustainable-ecosystem-scaling-core-unit-mkt-budget-ses-01/8043>

#	Audit Question	<div><div></div><div></div><div></div><div></div></div>	Audit Assessment	Core Unit's Clarification	Immediate CU Action to improve transparency report	Medium Term CU Action to improve transparency report
	"The SES expense report's standard structure includes Actuals, forecasts, MGR vesting, transfers, and comments. This audit assessment will be based on the data available on the MakerDAO finances dashboard. "Audit Questions to the Structure of the transparency report and consistency with SES MIP40c3-SP8Z					
	Is the SES Permanent Team Operational Multi-sig wallet setup the same as described in the MIP40c3-SP87?		Yes. The SES Permanent Team Operational Wallet quorum (2:3) Controlled by the SES Core Unit team Address: eth:0xb5e6b779CE300024EDB3dF9b6C0D7E312584f6F4f Signers eth:0xA2A855Ac8D2a92e8A5a437690875261535c8320C eth:0x4714C7fE5D0213615FC6CB88717B524eC433a9a eth:0xFcA6e196c2ad557E64D9397c283CAfE57344b75 Yes. The SES Permanent Team 2 Operational Wallet quorum (2:3) Controlled by the SES Core Unit team Address: eth:0x7c09f95959BAAbf721cbDA3676826aA6d7BaE8 Signers eth:0xA2A855Ac8D2a92e8A5a437690875261535c8320C eth:0x4714C7fE5D0213615FC6CB88717B524eC433a9a eth:0xFcA6e196c2ad557E64D9397c283CAfE57344b75			
0.1		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
	Is the SES Permanent Team 2 Operational Multi-sig wallet setup the same as described in the MIP40c3-SP87?		Yes. The SES Grants Program Operational Wallet quorum (2:3) Controlled by the SES Core Unit team Address: eth:0x95e88AcED30609bA62b0A8A7F843c7D9241d62 Signers eth:0xA2A855Ac8D2a92e8A5a437690875261535c8320C eth:0x4714C7fE5D0213615FC6CB88717B524eC433a9a eth:0xFcA6e196c2ad557E64D9397c283CAfE57344b75			
0.2		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
	Is the SES Permanent Team Operational Multi-sig wallet setup the same as described in the MIP40c3-SP87?		Yes, the SES Operational wallet has a current policy of 2 out of 3 signers https://app.safe.global/settings/setup?safe=eth:0xb5e6b779CE300024EDB3dF9b6C0D7E312584f6F4f Yes, the SES Operational wallet has a current policy of 2 out of 3 signers https://app.safe.global/settings/setup?safe=eth:0x7c09f95959BAAbf721cbDA3676826aA6d7BaE8 Yes, 426,458.01 DAI https://app.safe.global/transactions/history?safe=eth:0xb5e6b779CE300024EDB3dF9b6C0D7E312584f6F4f Yes, 28,705.84 DAI https://app.safe.global/transactions/history?safe=eth:0x7c09f95959BAAbf721cbDA3676826aA6d7BaE8 Yes. SES Auditor Wallet quorum (2:2) eth address: eth:0xb7AcDD9208f73Bfc9207e1f6f0DE906bca95cc6			
0.3	Is the SES Permanent Team Operational wallet controlled by more than 1 signer?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
0.4	Is the SES Permanent Team 2 Operational wallet controlled by more than 1 signer?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
0.5	Has the SES Permanent Team 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"/>	
0.6	Has the SES Permanent Team 2 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"/>	
0.7	Is the SES Auditor Multi-sig wallet setup the same as described in the MIP40c3-SP87?		Controlled by Signers: Auditor Role eth:0xD85cE806d0574AE5425b1e211b78d54f2728DF3 SES Accountant Role: Wallet eth:0xA2A855Ac8D2a92e8A5a437690875261535c8320C * The Auditor role signer Gvoppha was replaced by the Jetstream facilitator and the TechOps co-facilitator https://app.safe.global/settings/setup?safe=eth:0x87AcDD9208f73Bfc9207e1f6f0DE906bca95cc6 2 out of 2 signers			
0.8		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
0.9	Is the SES Auditor wallet controlled by more than 1 signer?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
0.10	Has the SES Auditor wallet received funds from the protocol?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Not in October 2023

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0.1	Has SES Auditor wallet returned any excess funds based on the last transparency report to the Surplus buffer?	<input type="checkbox"/>	<input checked="" type="checkbox"/> No return last month, but it's coming in November.			
0.12	Has the SES Auditor wallet sufficient funds to be sent to the SES Operational wallets?	<input checked="" type="checkbox"/>	<input type="checkbox"/> Yes, 630,573.8 DAI			
Audit Questions to Transparency Report - Section 1. Permanent Team Last Month Actuals -						
1.1	Is the Permanent Team actuals budget category breakdown in line with MIP40c3-SP87?	<input checked="" type="checkbox"/>	<input type="checkbox"/>			
1.2	Is the transparency report actual's forecast for the Permanent Team the same as the last published forecast for the same month?	<input checked="" type="checkbox"/>	<input type="checkbox"/>			
1.3	Are the Permanent Team differences between forecast and actuals explained in the transparency report?	<input checked="" type="checkbox"/>	<input type="checkbox"/>			
1.4	Are the SES Permanent Team actual expenses within the monthly MIP40c3-SP87 budget cap?	<input type="checkbox"/>	<input type="checkbox"/> Expenses are a little bigger than budget cap			
1.5	Are the SES Permanent Team actual expenses within the quarterly total MIP40c3-SP87 budget cap?	<input checked="" type="checkbox"/>	<input type="checkbox"/>			
1.6	Has the SES Permanent Team Administration Expenses any significant deviations between forecast and actuals?	<input checked="" type="checkbox"/>	<input type="checkbox"/>			
1.7	Has the SES Permanent Team Compensation & Benefits any significant deviations between forecast and actuals?	<input type="checkbox"/>	<input type="checkbox"/> Yes, but the reason provided			
1.8	Has the SES Permanent Team Gas fees any significant deviations between forecast and actuals?	<input checked="" type="checkbox"/>	<input type="checkbox"/> Zero gas fees actual expense			
1.9	Has the SES Permanent Team Professional Services any significant deviations between forecast and actuals?	<input type="checkbox"/>	<input type="checkbox"/> Yes, due to invoice delay			
1.10	Has the SES Permanent Team Software Development any significant deviations between forecast and actuals?	<input type="checkbox"/>	<input type="checkbox"/> Additional software development work done			
1.11	Has the SES Permanent Team Software Expense any significant deviations between forecast and actuals?	<input type="checkbox"/>	<input type="checkbox"/> Yes, due to higher costs			
1.12	Has the SES Permanent Team Travel & Entertainment any significant deviations between forecast and actuals?	<input type="checkbox"/>	<input type="checkbox"/> Yes, due to older reimbursements			
1.13	Has the SES Permanent Team presented the correct calculation of amounts for the actuals, forecast and difference?	<input checked="" type="checkbox"/>	<input type="checkbox"/>			
1.14	Has the SES Permanent Team any budget category that seems inconsistent and needs further investigation?	<input checked="" type="checkbox"/>	<input type="checkbox"/>			
1.15	Has SES explained the difference between the payments and actuals for the Permanent Team?	<input checked="" type="checkbox"/>	<input type="checkbox"/>			
Audit Questions to Transparency Report - Section 1. Incubation program > Permanent Team 2 Last Month Actuals -						
1.16	Is the transparency report actual's forecast for the Permanent Team 2 the same as the last published forecast for the same month?	<input checked="" type="checkbox"/>	<input type="checkbox"/>			
1.17	Are the SES Permanent Team 2 differences between forecast and actuals explained in the transparency report?	<input checked="" type="checkbox"/>	<input type="checkbox"/>			
1.18	Are the SES Permanent Team 2's actual expenses within the monthly MIP40c3-SP87 budget cap?	<input checked="" type="checkbox"/>	<input type="checkbox"/>			
1.19	Are the SES Permanent Team 2's actual expenses within the quarterly total MIP40c3-SP87 budget cap?	<input checked="" type="checkbox"/>	<input type="checkbox"/>			
1.20	Has the SES Permanent Team 2 presented the correct calculation of amounts for the actuals, forecast and difference?	<input checked="" type="checkbox"/>	<input type="checkbox"/>			
1.21	Has the SES Permanent Team 2 any budget category that seems inconsistent and needs further investigation?	<input checked="" type="checkbox"/>	<input type="checkbox"/>			

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1.2	Has SES explained the Permanent Team 2's difference between the payments and actuals?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
Audit Questions to Transparency Report - Section 2. Permanent Team Budget Forecast -								
2.1	Does the transparency report display the MIP40c3-SP87 caps for both total and budget categories?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
2.2	Are the monthly and quarterly budget caps (both totals and per category) the same as in the MIP40c3-SP87?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
	Are the monthly forecast totals within the MIP40c3-SP87 monthly budget cap?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes, with some deviations explained in the comments		
2.3	Is the quarterly forecast within the bounds of the qly MIP40c3-SP87 budget caps?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes, with some deviations explained in the comments		
2.4	Has the SES presented the correct calculation of amounts in the Permanent Team budget forecast table?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
2.5		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
Audit Questions to Transparency Report - Section 2. Incubation Program > Team 2 Budget Forecast -								
2.6	Does the transparency report display the Permanent Team 2's budget cap?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
2.7	Are the monthly and quarterly budget caps the same as in the MIP40c3-SP87?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
2.8	Are the Permanent Team 2's monthly forecast totals within the MIP40c3-SP87 monthly budget cap?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
2.9	Is the Permanent Team 2 quarterly forecast within the bounds of the qly MIP40c3-SP87 budget caps?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
2.10	Has the SES presented the correct calculation of amounts in the Permanent Team 2 budget forecast table?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
Audit Questions to Transparency Report - Section 2. Grant's Program Budget Forecast -								
2.11	Does the transparency report display the Grant's Program Budget cap?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
2.12	Are the monthly and quarterly budget caps the same as in the MIP40c3-SP87?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
2.13	Are the Grant's Program monthly forecast totals within the MIP40c3-SP87 monthly budget cap?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
2.14	Is the Grant's Program quarterly forecast within the bounds of the qly MIP40c3-SP87 budget caps?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
2.15	Has the SES presented the correct calculation of amounts in the Grant's Program budget forecast table?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
Audit Questions to Transparency Report - Section 3. MKR Vesting Overview -								
3.1	Has the SES 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"/>			
3.2	Has the MKR vesting overview the same FTE comparing it to the MIP40c3-SP17?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No. The reported FTE is 14.5 and the MIP40c3-SP17 MKR budget is based on 8.90 FTEs.		
3.3	Are the MKR vesting dates the same as in the MIP40c3-SP17?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No. The reported vesting dates are different from the MIP40c3-SP17 due to new hires, the changes were explained in the November 2021 budget statement.		
3.4	Has SES changed the MKR amounts since the last transparency report?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No.		

Note that the Grant Program was closed in February 2023.

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3.5	Has SES explained the MKR change in the transparency report?	<input type="checkbox"/>	<input type="checkbox"/>			
3.6	Has the SES Auditor wallet received the vested MKR amount corresponding to this month if any?	<input type="checkbox"/>	<input type="checkbox"/>	This control can only be made if the above question is yes.		
3.7	Has the SES Operational wallet received the vested MKR amount corresponding to this month if any?	<input type="checkbox"/>	<input type="checkbox"/>			
3.8	Other relevant observations?	<input checked="" type="checkbox"/>	<input type="checkbox"/>			
Audit Questions to Transparency Report - Section 4. Transfers -						
4.1	Does the SES Operational wallets balance match the transparency report current balances in the calculation made for the new transfer?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	No, since the balance changed by the time between published draft and doing the audit		
4.2	Are the DAI payments from the Permanent Team Operational wallet the same as in the actuals section payments?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Yes.		
4.3	Are the DAI payments to the Payroll Payments Processor from the Permanent Team 2 Operational wallet the same as in the actuals section payments?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Yes.		
4.4	Are the DAI Direct payments from the Permanent Team 2 Operational wallet the same as in the actuals section payments?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Yes.		
4.5	Are the DAI payments from the Grant's Program Operational wallet the same as in the actuals section payments?	<input type="checkbox"/>	<input type="checkbox"/>	N/A		
4.6	Are there any other Payments from the Operational wallets that need further clarification?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	No.		