

## Audit Report

Core Unit Name: DUX

Audit ID: 2023-03-DUX-001

Audit Cycle: 2023-03/1

Audit Date: 2023-04-17

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Audit Result: Approved with comments

Facilitator contact: @venture

Core Unit Clarification Received Date:

Transparency Report <https://expenses.makerdao.network/core-unit/DUX/finances/reports?searchText=DUX&viewMonth=Mar2023>

Transparency Report GitHub: <https://github.com/makerdao-dux/transparency-reporting/blob/main/Monthly%20Budget%20Statements/2023-03.md>

MIP40c3-SP82: <https://mips.makerdao.com/mips/details/MIP40c3SP82#naraqaah-summary>

MIP40c3-SP26: <https://forum.makerdao.com/t/mip40c3-sp26-development-uk-core-unit-budget-dux-001/9774>

MIP40c3-SP52: <https://forum.makerdao.com/t/mip40c3-sp52-development-uk-core-unit-budget-dux-001/12085>

MIP40c3-SP27: <https://forum.makerdao.com/t/mip40c3-sp27-development-uk-core-unit-mkr-budget-dux-001/9777>

#	Audit Question	<div><div></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
	<b>Audit Questions to the structure of the transparency report and consistency with MIP40c3-SP82</b>		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"/> 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"/> 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"/> 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"/> Yes.			
0.5	Does the budget forecast summary contain the Global/total budget cap?	<input checked="" 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-SP82?	<input checked="" 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 and or MIP40c3-SP82?		No. DUX clarified the change of wallet address for one team member in Feb 2022. ETH address eth:0bEd1cC76C86AaE8eA08b1B918aB2eDcA1465745c was added February 8th 2022 and eth:0bf666e928B8DEFD84A9DEE179Ac226be16ec850DA was removed on February 9th 2022.			
0.7	Is the DUX operational wallet controlled by more than 1 signer?	<input checked="" type="checkbox"/>	Operational wallet controlled by the current DUX Core Unit team Address: 0x6Cd0ad5C55498AaCb72b6689E1d05A284C69c0C7 Signers eth:0x14341f814cA86E1420c9e6Abd343Fb1c5bfc eth:0x388e9e5a889C4cDF3752C1AfCF88875BD6573eE eth:0b8967A9ad50977adb86603922A0b34d063cd2ad6d eth:0xD797f7e4840aa933c9d4A8eBcF7c879F0a1018 eth:0bda8E5b5DD14759B9BE382a5D6260754AH9942A eth:0bEd1cC76C86AaE8eA08b1B918aB2eDcA1465745c			
0.8	Is the DUX operational wallet controlled by more than 1 signer?	<input checked="" type="checkbox"/>	Yes, the DUX operational wallet has a current policy of 3 out of 6 signers.			
	Is the auditor/wallet Multi-sig wallet setup the same as described in the MIP40c3-SP52?		Yes. The Auditor Wallet requires 2 out of 2 confirmations. Auditor's wallet eth address: eth:0x5A95d042CC8C135863CdAd9D2B66352f89ad Signers: Accountant role wallet eth:0x4D4655A8D7d95285A5a45769087561535c8320C Auditor role wallet eth:0b82da57e22f949acDDc17355b8A8160c023ea86e6			
0.9	Has the DUX auditor wallet receive funds from the protocol?	<input checked="" type="checkbox"/>	Yes it received funds from the new vesting stream ID 14.			
0.10	Has the DUX auditor wallet sufficient funds to top up the Dux operational wallet?	<input checked="" type="checkbox"/>	No. SES will coordinate the call of funds to the Auditor wallet.			
0.11	Has the DUX operational wallet received a top-up after the audit of the last transparency report?	<input checked="" type="checkbox"/>	Yes. DUX has received the requested funds in the February 2023 budget statement.			
	<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-SP82?	<input checked="" type="checkbox"/>	DUX has adopted the standard MakerDAO nomenclature for the budget categories.			
1.20	Is the transparency report actual's forecast the same as the forecast last published for the same month?	<input checked="" 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 add the report to expenses.makerdao.network
1.4	Are the DUX actual expenses within the monthly MIP40c3-SP82 buget 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-SP82 budget cap?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes.			
1.6	Has the DUX Compensation & Benefits any significant deviations between forecast and actuals?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	The forecast is 97,668.72 DAI and the actual expense is 89,791.85 DAI, this results in a positive difference of 7,876.87.	"Team Member did not Invoice this month."		
1.7	Has the DUX Travel & Entertainment any significant deviations between forecast and actuals?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes. The forecast is 5,000 and the actual expense is 4,756.23, this results in a positive difference of 243.77.			DUX needs to add the reason for the difference as a comment.
1.8	Has the DUX Software Expense any significant deviations between forecast and actuals?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes, the forecast is 7,408.86 and the actual expense is 11,095.07, this gives a negative difference of 3,686.21. This expense is over the approved budget of 9,000 per month, however the total expenses are within the monthly approved budget cap.	"Alchemy billed higher than forecasted."		
1.9	Has the DUX Gas 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 DUX Adminin Expense any significant deviations between forecast and actuals?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes, the forecast is 5,265.11 DAI and the actual expense is 4,314.67, which gives a negative difference of 950.44.			DUX needs to add the reason for the difference as a comment.
1.11	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.			
1.12	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.			
1.13	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.			
	Other observations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
1.15		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	March 2023 budget statement is missing at expenses.makerdao.network			DUX needs to push the data for the transparency reporting via the budget tool to expenses.makerdao.network. Including FTE and comments to explain the differences.
	Audit Questions to Transparency Report - Section 2. Budget Forecast -					Note that DUX has a new approved budget per Feb 1st. 2023 MIP40c3-SP82			
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"/>	Travel & Entertainment is above the budget cap for April and June 2023 but within the Qly budget cap.			
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. The FTE for March 2023 is 8.			
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"/>	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"/>	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"/>	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"/>	Yes.				
	Other observations								DUX needs to push the data via the budget tool to expenses.makerdao.network. Including FTE and comments to explain the differences. Once all data is pushed the report status should be changed from Draft to Review.	
4.5		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	March 2023 budget statement is missing at expenses.makerdao.network				