

Audit Report

Core Unit Name: Deco

Audit ID: 2023-04-Deco-001

Audit Cycle: 2023-04/ 1

Audit Date: 2023-04-03

Submission Date: 2023-04-03

Audit Result: Approved with comments

CU contact: Vamsi Alluri

Core Unit Clarification Received on Date:

Transparency Report expense.makerdao.network: <https://hackmd.io/~mX84y5BScKfMwPp889lg?view>

Transparency Report : <https://hackmd.io/~mX84y5BScKfMwPp889lg?view>

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>



| # | 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 |
|-----|---|-------------------------------------|--------------------------|--------------------------|--------------------------|--|--|--|---|
| | 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"/> | Yes. | | | |
| 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"/> | Yes. The Deco CU will not include the actual section in their transparency reporting as part of their budget statements. | | | |
| | 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"/> | No. According to the MIP, the Deco protocol wallet should have 3 owners. This wallet has only 2 owners currently. "The Deco Protocol Wallet is a 2-out-of-3 multisig wallet controlled by the Deco Core Unit to be used to aggregate Deco revenue pending achievement of benchmarks and subsequent distribution. Address: 0xA78F1F5688f8d345a14d7323745C6c56fB8227f0 Current signers: eth-0x150378665a0818b09E2be76B3301AA63bA762A42 eth-0xdC2C5c8f6a31958ED32c3aCCE696eE6Bf1A6a19f4 Yes: Deco Protocol Wallet quorum (2:2) | Deco will add the third signer to the Deco Protocol wallet, there is no specific date for this action yet. | Deco should add the third owner to the Protocol wallet as indicated in the MIP40c3-SP35. | |
| 0.4 | Is the Deco Operational wallet controlled by more than 1 signer? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Controlled by the Deco Core Unit team Address: eth-0x56349A38e09f36039f6AF77309690d2178eaf0bf Signers eth-0x51A0c013A1896E8e9e789dE0cA362CdC93B0E7C6 eth-0x02E5c562887896e1a8e7D74F0F02A141EDF680c8 eth-0xB8E8E3e36187474f8cB1d074A26aff007E98fB Yes: Deco Auditor Wallet quorum (2:3) | | | |
| 0.5 | Is the Auditor wallet Multi-sig wallet set up the same as described in the MIP40c3-SP35? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Address: eth-0xf482D1031E5b172D42B2DAA1b6e5Cb6519596f7 Signers: eth-0x04068fBdA0b772FD639c82A216480A1e72EE44B3 (Removed on December 8, 2023) eth-0x4714C7FEE5D0213615FC6cCB88717B524eC433e9a eth-0xfC66e196c2ad57E6dD9397e283C2AFe57344b75 eth-0xA2A855Ac8D2a92e8A5a4376908752615535c8320C (Added on September 15th) | | | |
| 0.6 | 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"/> | The Deco's auditor wallet has received 311,548.876710199DAI on February 7th, 2023. https://etherscan.io/tx/0x911778b49f0404ef9d0216189a0d6934ce8c4b754a74620b6c73428cb636b99 | | | |
| 0.7 | 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"/> | Yes. The Deco Auditor Wallet current balance is 193,767.37 DAI on April 3th, 2023. https://app.safe.global/balances?safe=eth-0xf482D1031E5b172D42B2DAA1b6e5Cb6519596f7 | | | |
| 0.8 | | <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 |

| | | 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:0x56349A38e09F56039f6AF77309690d217Beaf0bF Signers eth:0x02f5c56289789Ec1a8e7D74f0f02A141DE680c8 owner eth:0x40126C768E72a3Dc7fD02486928f591c2a298 swapped on July 24, 2022 for current owner eth:0x51A0c013A896E86e789dc0cA362Cd9380E7C6 eth:0x8EE83e361817474f8c81d074A26aff007E98FB | | | | | | | |
| 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 0xA78F1F56988DA345a14d7323745C656B822F0? | | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Yes. No trace of DAI transactions to date. | | | |
| 1.2 | | <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 | | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Yes. | | | |
| 2.3 | | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Yes. | | | |
| 2.4 | | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Yes. | | | |
| 2.5 | | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Yes. | | | |
| Audit Questions to section - 3. Maker Protocol Credits - | | | | | | | | | |
| 3.1 | | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Yes. | | | |
| 3.2 | | <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 | | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Yes. | | | |
| 4.2 | | <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 | | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | No. | | | |
| 4.4 | | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Yes. | | | |
| 4.5 | | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Yes. Deco received 155,208.33 DAI on March 11th, 2023. https://etherscan.io/tx/0x2e813622a808382b59859e7156b8ac9036bc42d69aecd1ddb3576d0957a966 | | | |
| Audit Questions to section - 5. MKR Vesting Overview - | | | | | | | | | |
| 5.1 | | <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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Audit Result: Approved with comments
CU contact: Vamsi Alluri
Core Unit Clarification Received on Date:
Transparency Report expense.makerdao.network: <https://hackmd.io/mX84y5BScfMwPp889lfz?view>
Transparency Report : <https://hackmd.io/mX84y5BScfMwPp889lfz?view>
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>



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|---|---|-------------------------------------|-------------------------------------|--------------------------|--------------------------|---|--|--|---|
| 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 checked="" 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 next vesting amount June 2023 correct? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | | | |
| 5.6 | Is the amount of MKR for the next vesting amount June 2023 correct? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | | | |
| 5.7 | 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 amount is 125 MKR. Yes. The Auditor wallet eth address in the transparency report is 0x4F82D1031E5b172D42B2DAA1b6e5Cb65195967 | | | |
| 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 | Is the TOTAL Present Maker Protocol Advance to Deco Core Unit calculation correct? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Yes. | | | |
| 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 0x56349A38e09f609f6A77309690d217Beaf0bF | | | |
| 7.3 | Is the MKR transfer amount correct? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | The MKR table needs to be updated in this section. | | | Deco needs to update the MKR table in this section. |
| 7.4 | Has the Operational wallet paid out the 500 MKR corresponding to the June 2022? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Yes. The current MKR balance in the operational wallet is 0. | | | |
| 7.5 | Has the Operational wallet paid out the 125 MKR corresponding to the September 2022 Vest? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Yes. The current MKR balance in the operational wallet is 0. | | | |
| | Is the Lifetime MKR amount transferred to the Auditor wallet correct? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | The latest vested MKR is the 125 MKR, corresponding to Mar 2023. | | | |
| 7.6 | Is the Auditor wallet current MKR balance correct? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Yes. | | | |
| 7.7 | Does the Deco Operational wallet need to return excess funds to the Auditor wallet based on the April 2023 budget report? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | No. | | | |
| 7.8 | Does Deco Auditor wallet need to return excess funds to the MakerDAO Protocol based on the April 2023 budget report? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | No. | | | |
| 7.9 | Other observations | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | No. | | | |
| 7.10 | | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | No. | | | |