

Audit Report

Core Unit Name: SES - Sustainable Ecosystem Scaling Core Unit
Audit ID: 2024-01-SES001
Audit Cycle: 2024 - 01/ 1
Audit Result: Approved with comments
Audit Date: 2024-03-01
Budget Statement Submission Date:
Facilitator and team lead: @Juan @Wouter
Core Unit Clarification Received on Date: -
Audit Assesment made by: Oxdeniz

Approved

Approved with comments

Needs action before approval

Rejected

Transparency Report: <https://expenses.makerdao.network/core-unit/SES/finances/reports?searchText=ses§ion=forecast&viewMonth=Oct2023>
MIP40c3-SP87: <https://mips.makerdao.com/mips/details/MIP40c3SP87>
MIP40c3-SP44: <https://forum.makerdao.com/t/mip40c3-sp17-sustainable-ecosystem-scaling-core-unit-mkr-budget-ses-001/8043>

| # | Audit Question | | | | | 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, MKR 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 consincy with SES MIP40c3-SP87 | | | | | | | | |
| 0.1 | Is the SES Permanent Team Operational Multi-sig wallet setup the same as described in the MIP40c3-SP87? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | | | |
| 0.2 | Is the SES Incubation Team Operational Multi-sig wallet setup the same as described in the MIP40c3-SP87? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | | | |
| 0.3 | Is the SES Grants Program Operational Multi-sig wallet setup the same as described in the MIP40c3-SP87? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Does not apply as grants program budget is deprecated | | | |
| 0.4 | 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"/> | | | | |
| 0.5 | Is the SES Incubation Team Operational wallet controlled by more than 1 signer? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | | | |
| 0.6 | 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"/> | Yes, on Feb 19th | | | |
| 0.7 | Has the SES Incubation Team Operational wallet received a top-up after the audit of the last transparency report? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | NO, but should not be an issue | | | |
| 0.8 | Is the SES Auditor Multi-sig wallet setup the same as described in the MIP40c3-SP87? | <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"/> | | | | |

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| 1.10 | Has the SES Auditor wallet received funds from the protocol? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | | |
| 1.11 | Has SES returned any excess funds based on the last transparency report to the Surplus buffer? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | No returns as far as I can tell, but auditor wallet holds no excess funds so no problem | | |
| 1.12 | Has the SES Auditor wallet sufficient funds to be sent to the SES Operational wallets? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | NO, only 42.5k DAI | | |
| Audit Questions to Transparency Report - Section 1. Permanent Team Last Month Actuals - | | | | | | | | |
| 1.10 | Is the Permanent Team actuals budget category breakdown in line with MIP40c3-SP87? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | | |
| 1.20 | 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"/> | <input type="checkbox"/> | <input type="checkbox"/> | Yes | | |
| 1.30 | Are the Permanent Team differences between forecast and actuals explained in the transparency report? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | No, please add comments per category | | |
| 1.40 | Are the SES Permanent Team actual expenses within the monthly MIP40c3-SP87 buget cap? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | No, compensation and professional services have exceeded the monthly caps | | |
| 1.50 | Are the SES Permanent Team actual expenses within the quarterly total MIP40c3-SP87 budget cap? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | | |
| 1.60 | Has the SES Permanent Team Administration Expenses any significant deviations between forecast and actuals? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | | |
| 1.70 | Has the SES Permanent Team Compensation & Benefits any significant deviations between forecast and actuals? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | Yes, please clarify | | |
| 1.80 | Has the SES Permanent Team Gas Fees any significant deviations between forecast and actuals? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | | |
| 1.90 | Has the SES Permanent Team Professional Services any significant deviations between forecast and actuals? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | Yes, please clarify | | |
| 1.10 | Has the SES Permanent Team Software Development any significant deviations between forecast and actuals? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | | |
| 1.11 | Has the SES Permanent Team Software Expense any significant deviations between forecast and actuals? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | | |
| 1.12 | Has the SES Permanent Team Travel & Entertainment any significant deviations between forecast and actuals? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | | |
| 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"/> | <input 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"/> | <input type="checkbox"/> | <input type="checkbox"/> | | | |
| 1.15 | Has SES explained the difference between the payments and actuals for the Permanent Team? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | No, please add comments per category | | |
| Audit Questions to Transparency Report - Section 1. Incubation program > Incubation Team Last Month Actuals - | | | | | | | | |
| 1.16 | Is the transparency report actual's forecast for the Incubation Team the same as the last published forecast for the same month? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Yes | | |
| 1.17 | Are the SES Incubation Team differences between forecast and actuals explained in the transparency report? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | | |
| 1.18 | Are the SES Incubation Team's actual expenses within the monthly MIP40c3-SP87 buget cap? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | | |
| 1.19 | Are the SES Incubation Team's actual expenses within the quarterly total MIP40c3-SP87 budget cap? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | | |
| 1.20 | Has the SES Incubation Team 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"/> | | | |
| 1.21 | Has the SES Incubation Team any budget category that seems inconsistent and needs further investigation? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | | |
| 1.22 | Has SES explained the Incubation Team's difference between the payments and actuals? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | All looks good | | |
| 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"/> | | | |

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| 2.3 | Are the monthly forecast totals within the MIP40c3-SP87 monthly budget cap? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | forecasts for April are missing | | | |
| 2.4 | Is the 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"/> | | | | |
| 2.5 | Has the SES presented the correct calculation of amounts in the Permanent Team budget forecast table? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | forecasts for April are missing | | | |
| Audit Questions to Transparency Report - Section 2. Incubation Program > Team 2 Budget Forecast - | | | | | | | | | |
| 2.6 | Does the transparency report display the Incubation Team'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 Incubation Team's monthly forecast totals within the MIP40c3-SP87 monthly budget cap? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | forecasts for March and April are missing | | | |
| 2.9 | Is the Incubation Team 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 Incubation Team budget forecast table? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | forecasts for March and April are missing | | | |
| Audit Questions to Transparency Report - Section 2. Grant's Program Budget Forecast - | | | | | | | Note that the Grant Program was closed in February 2023. | | |
| 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"/> | N/A | | | |
| 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"/> | N/A | | | |
| 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"/> | N/A | | | |
| 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"/> | N/A | | | |
| 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"/> | N/A | | | |
| 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, due to new hires | | | |
| 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 type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | No MKR is vesting in January and February 2024? Please confirm | | | |
| 3.5 | Has SES explained the MKR change in the transparency report? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | This control can only be made if the above question is yes. | | | |
| 3.6 | Has the SES Auditor wallet received the vested MKR amount corresponding to this month if any? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | N/A | | | |
| 3.7 | Has the SES Operational wallet received the vested MKR amount corresponding to this month if any? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | N/A | | | |
| 3.8 | Other relevant observations? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | none | | | |
| 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"/> | <input type="checkbox"/> | <input type="checkbox"/> | Live balances are lower than the reported balances | | | |
| 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"/> | <input type="checkbox"/> | <input type="checkbox"/> | | | | |
| 4.3 | Are the DAI payments to the Payroll Payments Processor from the Incubation Team Operational wallet the same as in the actuals section payments? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | | | |
| 4.4 | Are the DAI Direct payments from the Incubation Team Operational wallet the same as in the actuals section payments? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | | | |
| 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"/> | <input type="checkbox"/> | <input type="checkbox"/> | N/A | | | |

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| 4.6 | Are there any other Payments from the Operational wallets that need further clarification? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | Multiple 100 DAI payments and a 0.5 ETH payment in February from the permanent team ops wallet, please explain | | | |
|-----|--|--------------------------|--------------------------|-------------------------------------|--------------------------|--|--|--|--|