

Audit Report

Core Unit Name: IS
Audit ID: 2022-01-IS001
Audit Cycle: 2022 - 01 /1
Audit Date: 06-02-2022
Submission Date: 01-25-2022
Facilitator contact: @psychonaut#7023
Core Unit Clarification Received on Date: N/N

Transparency Report: <https://github.com/makerdao-is/transparency-reporting/blob/main/Monthly%20Budget%20Statements/2022-01.md>
MIP40c3-SP42: <https://forum.makerdao.com/t/mip40c3-sp42-adding-immuneft-security-core-unit-budget-is-001/10813>
MIP40c3-SP41: <https://forum.makerdao.com/t/mip40c3-sp41-immuneft-security-core-unit-mkr-budget-is-001/10814>

Approved

Approved with comments

Needs action before approval

Disputed

#	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 IS MIP40c3-SP42								
0.1	Are the sections in the Monthly Budget Statement in the right order: Actuals, Forecast, MKR vesting and Transfers?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes.			
0.2	Does the Actual section include breakdowns with Budget Category, Forecast, Actuals, Difference and Payments?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	This control can only be made when IS starts to report the actuals.			
0.3	Does the Budget Forecast summary contain the Global/total budget cap?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes.			
0.4	Does the Budget Forecast cover 3 months with a summary and Budget Category breakdown?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes.			
0.5	Does the Budget Forecast summary and breakdown contain the quarterly budget caps for comparison?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes.			
0.6	Are the Budget Forecast Breakdown categories in the Monthly Budget Statement the same as in the MIP40c3-SP42?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes.			
0.7	Is the Multi-sig wallet setup the same as described in the MIP40c3-SP42?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes: IS Operational Wallet quorum (2:3) Controlled by the IS Core Unit team Address: 0x124c759D1084E67B19a206ab85c4527Fab26c342 Signers 0x2BC5Ffc5De1a83a9e4cDDfA138bAEd516D70414b 0xAcaF835934eE40E0d5ee3F941E283499F8Ad97eD 0xFFC87601A80d3e4F0aF083a899e3fee203C23cF0			
0.8	Is the IS operational wallet controlled by more than 1 signer?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes, the IS operational wallet has a current policy of 2 out of 3 signers			
0.9	Has the IS auditor wallet received the initial seed funds from the protocol prior transfer to the IS Operational Wallet?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes, the auditor wallet has received 195,443 DAI from the protocol https://etherscan.io/tx/0xab810c967ba4a68862c4433ec4185fba1a3ff121b4b38535a2aab4a8e9908a4 The MIP40c3-SP42 total budget cap less contingency buffer is 106,250 DAI. This initial transfer includes yearly and one time costs described in the MIP.			
0.10	Has the IS operational wallet received the initial funds based on the IS three month budget?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes, the IS operational wallet has received 166,450 DAI from the IS auditor wallet. https://etherscan.io/tx/0x05fdc7509bffd8b972ec3dccc34efc7f13dc5e7809ea4d7fccabd93902360246			
0.11	Has the IS Operational wallet received a top-up after the audit of the last Monthly Budget Statement?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes, the IS Operational wallet received 166,450 DAI as requested in the December 2021 Budget Statement. https://etherscan.io/tx/0x05fdc7509bffd8b972ec3dccc34efc7f13dc5e7809ea4d7fccabd93902360246			
	Monthly Budget Statement - Section 1. Last Month Actuals -								
1.1	Is the actuals budget category breakdown the same as in the MIP40c3-SP42?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	IS has not reported the actual expenses for December 2021 in the January 2022 report. IS explains in the statement that the absense of the actuals is due to various delays and that the payments will catch up in February 2022.			
1.2	Is the transparency report actual’s forecast the same as the forecast the last published forecast for the same month?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
1.3	Are the differences between forecast and actuals explained in the transparency report?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
1.4	Are the IS actual expenses within the montly MIP40c3-SP42 buget cap?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
1.5	Are the IS actual expenses within the Global/total MIP40c3-SP42 budget cap?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
1.6	Has the IS contributor fees any significant deviations between forecast and actuals?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
1.7	Has the IS travel costs any significant deviations between forecast and actuals?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

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1.8	Has the IS IT Infrastructure and subscriptions costs any significant deviations between forecast and actuals?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
1.9	Has the IS gas fees any significant deviations between forecast and actuals?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
1.10	Has the IS professional and Legal Services costs any significant deviations between forecast and actuals?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
1.11	Has the IS office space any significant deviations between forecast and actuals?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
1.12	Has the IS payment fees any significant deviations between forecast and actuals?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
1.13	Has the IS presented the correct calculation of amounts for the actuals, forecast and difference?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
1.14	Has the IS any budget category that seems inconsistent and needs further investigation?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
Audit Questions to Section Monthly Budget Statement - Section 2. Budget Forecast -									
2.1	Are the montly and quarterly budget caps (both totals and per category) the same as in the MIP40c3-SP42?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes.			
2.2	Are the quarterly forecast within the bounds of the MIP40c3-SP42 budget caps?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes.			
2.3	Are the monthly forecast totals within the MIP40c3-SP42 monthly budget cap?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No. The January 2022 forecast total is above the monthly budget cap. The forecast is set to 79,367 DAI, the monthly budget cap is 36,895.83 DAI. This difference is due to the fact that IS has not paid it's December 2021 invoices and has added 1,000 DAI for Gas costs.			
2.4	Has the IS presented the correct calculation of amounts in the Budget Forecast section?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	No. The sum of the total budget cap in the annual forecast is 116,750, the correct sum is 169,950 DAI. Also, the sum of the 3-month forecast in the quarterly forecast is 274,533, the correct sum is 199,533.		IS needs to review and correct the calculation in the budgetforecast section.	
Audit Questions to Section Monthly Budget Statement - Section 3. MKR Vesting Overview -									
3.1	Has IS indicated the number of FTE in the Monthly Budget Statement's MKR vesting overview?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes.			
3.2	Has the MKR vesting overview the same FTE comparing it to the MIP40c3-SP41?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes.			
3.3	Are the MKR vesting dates the same as in the MIP40c3-SP41?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes.			
3.4	Has IS changed the MKR amounts comparing it to the MIP40c3-SP41?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No.			
3.5	Has IS explained the MKR change in the Monthly Budget Statement?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	This control can only be made if the answer to the above question is yes.			
Audit Questions to Section Monthly Budget Statement - Section 4. Transfers -									
4.1	Does the IS Operational Wallet balances match the Monthly Budget Statement current balance in the calculation made for the new transfer?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes, there is a perfect match.			
4.2	Are the payments from the operational wallet the same as in the actuals payments?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No transactions were found at the time of the auditing the January 2022 budget statement.			