

Audit Report

Core Unit Name: Deco

Audit ID: 2022-03-Deco003

Audit Cycle: 2022-03/ 1

Audit Date: 03-02-2022

Submission Date: 03-01-2022

Audit Result: Needs CU action

CU contact: Vamsi Alluri

Core Unit Clarification Received on Date:

Transparency Report: <https://github.com/deco-protocol/maker-cu-transparency-reporting/blob/main/monthly-budget-statements/2022-03.md>

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>

Approved

Approved with comments

Needs action before approval

Escalate

#	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								
0.1	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	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Deco removed the Monthly MKR transfers table from the structure of the report, the table will be added when Deco starts to request the actual transfer of MKR.			
0.2	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.			
0.3	Does the Budget Statement include the "Actual section" with the Budget Category breakdown, Forecast, Actuals, Difference and Payments?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	The Deco CU will not include the actual section in their transparency reporting as part of their budget statements.			
0.4	Is the Deco Protocol wallet set up the same as described in the MIP40c3-SP35?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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: 0xA78F1F5698f8d345a14d7323745C6c56fB8227F0" Current signers:	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.	
0.5	Is the Deco Protocol wallet controlled by more than 1 signer?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes: Deco Protocol Wallet quorum (2:2) Controlled by the Deco Core Unit team Address: 0xA78F1F5698f8d345a14d7323745C6c56fB8227F0 Signers eth:0x150378665aD818b09E2be7683301AA63bA762A42 eth:0xdC2Cf5cBFa31958ED32c3aCE696eE6Bf1A6a19f4			
0.6	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"/>	Yes: Deco Auditor Wallet quorum (2:3) Address: eth:0xF482D1031E5b172D42B2DAA1b6e5Cb6519596f7 Signers: eth:0x40468fbDa08772FD639C82A216480A1ef2EE4483 eth:0x4714C7FE5D0213615FC6CB88717B524eC433e9a eth:0xFCa6e196c2ad557E64D9397e283C2Afe57344b75			
0.7	Has the Deco auditor wallet received the initial seed funds from the protocol prior transfer to the Deco Operational Wallet?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes. The Deco auditor wallet has received 465,625 DAI on November 29, 2021 https://etherscan.io/tx/0xab810a967ba4a68862c4433ec4185fba3f121bf4b38535a2aab4a8e9908a4			
0.8	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 385,778.32315068 DAI https://etherscan.io/address/0xF482D1031E5b172D42B2DAA1b6e5Cb6519596f7			
0.9	Is the Deco operational wallet controlled by more than 1 signer?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes: Deco Operational Wallet quorum (2:3) Controlled by the DECO Core Unit team Address: eth:0x56349A38e09f36039f6AF77309690d217Beaf0bF Signers eth:0x02E5c562B8789Ee1a8e7D74F0F02A141EDE6B0c8 eth:0x40126C768E72a3Dc7FffDf24B6928F591c2a2498 eth:0xBE8E3e3618f7474F8cB1d074A26affef007E98FB			
	Audit Questions to section - 1. Monthly Deco Revenue -								

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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 @2.945 DAI/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 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 type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Yes. However, the month of the subtitle is February 2022. It needs to be updated.		Deco should update the month in the subtitle of this section.	
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.			