

Audit Report

Core Unit Name: TechOps-001

Audit ID: 2022-02-TechOps-001

Audit Cycle: 2022-02/1

Audit Result: Needs CU action

Audit Date: 03-31-2022

Submission Date: 03-31-2022

Facilitator contact: @eskp

Core Unit Clarification Received on Date:

Transparency Report: <https://github.com/MakerOps/tech-001-transparency-reporting/blob/main/2022-02.md>

MIP40c3-SP53: <https://forum.makerdao.com/t/mip40c3-sp53-techops-core-unit-dai-budget/12072>

MIP40c3-SP54: <https://forum.makerdao.com/t/mip40c3-sp54-techops-core-unit-mkr-budget/12079>



#	Audit Question					Audit Assessment	Core Unit's Clarification	Immediate CU Action to improve transparency report	Medium Term CU Action to improve transparency report
	Audit Questions to the Structure of the transparency report and consistency with MIP40c3-SP53.								
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"/>	<input type="checkbox"/>	Yes.			
0.2	Does the actual section include breakdowns per Budget Category, Forecast, Actuals, Difference and Payments?	<input checked="" type="checkbox"/>	<input 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"/>	<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"/>	<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"/>	<input type="checkbox"/>	Yes.			
0.6	Are the budget forecast categories in the transparency report the same as in the MIP40c3-SP53?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	The budget forecast categories are consistent with MIP40c3-SP53, except for the Gas fees category, which was not budgeted in the MIP. Techops has a contingency category in the budget to cover the Gas expenses.			
0.7	Is the Multi-sig operational wallet setup the same as described in MIP40c3-SP53?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes: TechOps/TOCU-001 Operational Wallet quorum (2:2) Controlled by the TechOps Core Unit team Address: Signers: eth:0xA60C77efe539166F1C4a6CE2512F3cBF451fBc5 eth:0xcEbD4Fa8c2c6014F2F7924De3Ae617BdD42ca25B			
0.8	Is the TechOps operational wallet controlled by more than 1 signer?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes, the TechOps operational wallet has a current policy of 2 out of 2 signers			
0.9	Has the TechOps operational wallet received the funds requested in the last Budget Statement?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	The Techops operational wallet received 366,706 DAI on February 7th, 2022.			
0.10	Is the Multi-sig auditor wallet setup the same as described in the Techops Auditor Flow?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes: Techops Auditor Wallet quorum (2:2) Controlled by the SES Core Unit. Address: eth:0x2dC0420A736D1F40893B9481D8968E4D7424bC0B Signers: Accountant Role Wallet 0xA2A855Ac8D2a92e8A5a437690875261535c8320C Auditor Role Wallet 0xB2da57e224949acDDe173a5b8A8160c023ea86e6			
0.11	Has the Auditor wallet received the funds from the protocol?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes. The TechOps Auditor wallet received the initial funds of 1,069,250 DAI on Jan 31, 2022.			
0.12	Has the TechOps Auditor wallet sufficient funds to send to the TechOps operational wallet?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes. The TechOps Auditor wallet balance is 702,545.00 on March 31st, 2022.			
	Audit Questions to Transparency Report - Section 1. Last Month Actuals -								
1.1	Is the actuals budget category breakdown the same as in the MIP40c3-SP53?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes, except the budget category Gas fees and Bank fees, these are new budget categories.			
1.2	Is the transparency report actual's forecast the same as the last published forecast for the same month?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	All the relevant categories are presented in the actuals section.			
1.3	Are the differences between forecast and actuals explained in the transparency report?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes.			

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1.4	Are the TechOps CU actual expenses within the montly approved MIP40c3-SP53 buget cap?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes. The February total actual expenses is 96,215.			
1.5	Are the TechOps CU actual expenses within the Global/total MIP40c3-SP39 budget cap?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes.			
1.6	Has the TechOps CU Compensation fees any significant deviations between forecast and actuals?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes, the forecast for Feb 2022 is 47,929 and the actual expense is 43,380.03, which gives a difference of 4,548.97.	TechOps explains in the budget statement that this significant deviation is due to a contract set up.		
1.7	Has the TechOps CU Cloud Infrastructure fees any significant deviations between forecast and actuals?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes, the forecast is 30,000 and the actual expense is 27,717.62, this gives a positive difference of 2,282.38.	Diff. due to "Infrastructure costs optimizations."		
1.8	Has the TechOps CU Tools` fees any significant deviations between forecast and actuals?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes, the forecast is 3,000 and the actual expense is 2,055.84, this gives a positive difference of 944.16.	TechOps explained in the budget statement that the difference is due to "Safety margin, some services decommissioned others downscaled."		
1.9	Has the TechOps CU Accounting fees any significant deviations between forecast and actuals?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes, the forecast is 2,900 and the actual expense is 3,406.42, the difference is -906.42.	The higher fee is due to a "new accounting provider."		
1.10	Has the TechOps CU Legal Consultancy fees any significant deviations between forecast and actuals?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes. The forecast is 4,166 and the actual expense is 1,057.27, the difference is 3,109.73.	TechOps explained in the budget statement that the difference is due to "the payment of the initial fee only."		
1.11	Has the TechOps CU Gas fees any significant deviations between forecast and actuals?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes, the forecast is 500 and the actual expense is 17,000.	TechOps explained that the high expense is due to "Gas for 2 keepers - d3m and autoline - should last 3 months min."		TechOps should improve the forecast for Gas expenses.
1.12	Has the TechOps CU Deposits any significant deviations between forecast and actuals?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes, the forecast is 0 and the amount sent for deposit is 1,286.34.	Diff. due to "This deposit is part of an employee agreement."		
1.13	Has the TechOps CU Bank fees any significant deviation between forecast and actuals?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes, the forecast is 600 and the actual expense is 311.45. The difference is 288.55.	Diff. due to "New bank set up and lower bank fees than expected."		
1.14	Has the TechOps CU any significan deviation between the total actuals and the total payments?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes, the total actuals is 96,215.00 and the total payments is 107,996.00.	The difference is due to "Positive balance with Accountable."		
1.15	Has the TechOps CU 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.			
1.16	Has the TechOps CU budget statement any budget category that seems inconsistent and needs further investigation?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No.			
Audit Questions to Transparency Report - Section 2. Budget Forecast -									
2.1	Does the transparency report display the summary of the MIP40c3-SP53 approved caps for both total and budget categories?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes. The budget statement displays the MIP40c3-SP53 approved budget caps.			
2.2	Are the monthly and quarterly budget caps (both totals and per category) the same as in the MIP40c3-53?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	TechOps has forecasted only the relevant budget categories for Mar, Apr, and Maj 2022.			
2.3	Are the monthly forecast totals within the MIP40c3-53 monthly budget caps?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	The forecast amounts for the accounting and recruiting fees exceed their monthly budget caps. However, these can be covered by the contingency budget.			
2.4	Is the quarterly forecast within the bounds of the MIP40c3-39 budget caps?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes.			
Audit Questions to Section Transparency Report - Section 3. MKR Vesting Overview -									
3.1	Has the TechOps CU 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.			
3.2	Has the MKR vesting overview the same FTE comparing it to the MIP40c3-SP38?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Yes, however the FTE table in this section needs to be corrected, the values sum is 2.3. The project manager needs to be changed to 1 in the headcount cell, and the corresponding FTE needs to be updated.		TechOps needs to correct the data in the FTE table.	
3.3	Are the MKR vesting dates the same as in the MIP40c3-SP38?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes.			
3.4	Has TechOps CU changed the MKR amounts comparing it to the MIP40c3-SP38?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes. The current TechOps Budget has a total of 1,379 MKR, the approved budget cap is 1,680 MKR.			
3.5	Has TechOps CU explained the MKR change in the transparency report?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes, the MKR differences are due to FTE changes.			
Audit Questions to Transparency Report - Section 4. Transfers -									
4.1	Does the TechOps operational wallet balances match the transparency report current balance in the calculation made for the new transfer?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Yes, the TechOps operational wallet balance is 146,233.20 on March 31st., 2022. The link to the multisig wallet in the budget statement needs to be updated with the techOps auditor wallet eth address.		The link to the multi-sig wallet in the budget statement should be updated with this link https://gnosissafe.io/app/eth:0xd0420a736d1f4089389481d8968e4d7424bc0b/transactions/history	
4.2	Are the payments from the operational wallet the same as in the actual section payments?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes.			

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	Are the values in the TechOps Auditor wallet table correct?							
4.3		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes. The auditor wallet received 1,069,250 since inception from the protocol and 1 DAI from an external wallet for a wallet test. The auditor has transferred 366,706.00 to the TechOps operational wallet. The current balance is 702,545.		
4.4	Does the TechOps Auditor wallet balance match the transparency report auditor current balance?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes.		