

Audit Report

Core Unit Name: Deco
Audit ID: 2023-08-Deco-001
Audit Cycle: 2023-08/ 1
Audit Date:2023-08-03
Submission Date: 2023-08-02
Audit Result: Approved with comments
CU contact: Vamsi Alluri
Core Unit Clarification Received on Date:

Approved

Approved with comments

Needs action before approval

Outbox

Transparency Report:
Transparency Report : <https://expenses.makerdao.network/core-unit/DECO/finances/reports?viewMonth=Aug2023>
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								
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"/>	Yes.			
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 checked="" 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: 0xA78F1F5698f8d345a14d7323745C6c56fB8227F0 Current signers: eth:0x150378665aD818b09E2be76B3301AA63bA762A42 eth:0xdC2Cf5c8Fa31958ED32c3aCE696eE6Bf1A6a19f4	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 Operational 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: eth:0x56349A38e09f36039f6AF77309690d217Beaf0bF Signers eth:0x51A0c013Af896E8e9e789dE0cA362Cdc93B0E7C6 eth:eth:0x02E5c562B8789Fe1a8e7D74F0F02A141EDE6B0c8 eth:0xBE8E3e3618f7474F8cB1d074A26aFfeF007E98FB			
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:0xF482D1031E5b172D42B2DAA1b6e5Cbf6519596f7 Signers: eth:0x40468fbDa0B772FD639C82A216480A1ef2EE44B3 (Removed on December 8, 2022) eth:0x4714C7FE5D0213615FC6CBB8717B524eC433e9a eth:0xFca6e196c2ad557E64D9397e283C2AFe57344b75 eth:0xA2A855Ac8D2a92e8A5a437690875261535c8320C (Added on September 15th)			
0.7	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 170,589.723690574903261471 DAI on July 13th, 2023. https://etherscan.io/tx/0x49a04c76e275aae96392dabf1a8edb844fe2d7fc6a0a02c174cd2ea7603b34e9			
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 367,415.004312062373318592 on Aug 3th, 2023. https://app.safe.global/balances?safe=eth:0xF482D1031E5b172D42B2DAA1b6e5Cbf6519596f7			

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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:0x02E5c562B8789Ee1a8e7D74F0F02A141EDE680c8 owner eth:0x40126C768E72a3Dc7FfDf24B6928F591c2a2498 swaped on July 24, 2022 for current owner eth:0x51A0c013Af896E8e9e789dE0cA362Cdc93B0E7C6 eth:0x8E8E3e3618f7474F8cB1d074A26afFef007E98F8			
Audit Questions to section - 1. Monthly Deco Revenue -									
1.1	Does the Monthly Revenue in DAI in the budget statement match the revenue stream in the Deco protocol wallet 0xA78F1F5698f8d345a14d7323745C6c56fB8227F0?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes. No trace of DAI transactions to date.			
1.2	Is the calculation of the revenue in the budget statement correct?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes.			
Audit Questions to section - 2. MakerDAO Disbursements -									
2.1	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	Is the lifetime amount specified in the MakerDAO disbursements table correctly?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes.			
2.3	Is the prior month specified in the MakerDAO disbursements table correctly?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes.			
2.4	Is the prior month amount specified in the MakerDAO disbursements table correctly?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes.			
2.5	Is the calculation of the MakerDAO Disbursement Grand Total specified in the budget statement correct?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes.			
Audit Questions to section - 3. Maker Protocol Credits -									
3.1	Is the total lifetime DAI distributions amount specified correctly in the Maker Protocol Credits table?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes.			
3.2	Is the calculation of the Maker Protocol Credits Grand Total correct?	<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	Is Deco revenue for the given month specified correctly in the monthly term operating commitment table?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes.			
4.2	Is Deco fixed monthly floor specified correctly in the monthly term operating commitment table?	<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	Is Deco’s revenue above the fixed monthly floor?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No.			
4.4	Is the calculation of the August 2023 monthly MakerDAO commitment correct?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes.			
4.5	Has the Deco operational wallet received the fixed amount of 155,208.33 DAI after the audit of the last transparency report/Budget Statement?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes. Deco operational wallet received 155,208.33 DAI on June 13th, 2023. https://etherscan.io/tx/0x49a04c76e275aae96392dabf1a8edb844fe2d7fc6a0a02c174cd2ea7603b34e9			
Audit Questions to section - 5. MKR Vesting Overview -									
5.1	Has Deco 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"/>	No. Deco has a fixed rate of 1,500 MKR over three years.			

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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 type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	This control can only be done if the above question is yes.			
5.6	Is the amount of MKR for the vesting amount September 2023 correct?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes. The amount is 125 MKR.			
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 Auditor wallet eth address in the transparency report is 0xF482D1031E5b172D4282DAA1b6e5Cb6519596f7			
5.8	Other observations	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	The Deco Auditor wallet has received the 125 MKR funds corresponding to the June 2023 vest. The Deco operational wallet will receive the 125 MKR in August 2023.			
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	Other observations	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No.			
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 0x56349A38e09f36039f6AF77309690d217Beaf0bF			
7.3	Is the MKR transfer amount corret?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes.			
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.			
7.6	Has the Operational wallet paid out the 125 MKR corresponding to the December 2022 Vest?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	The current MKR balance int he operational wallet is 250 MKR. There is a delay of payment.			
7.7	Has the Operational wallet paid out the 125 MKR corresponding to the March 2023 Vest?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No the MKR balance in the operational wallet is 250 MKR on Aug 03, 2023.			
7.8	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 auditor wallet has received the 125 MKR, corresponding to June 2023.			
7.9	IS the Auditor wallet current MKR balance correct?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes.			

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7.10	Does the Deco Operational wallet need to return excess funds to the Auditor wallet based on the August 2023 budget report?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No.			
7.11	Does Deco Auditor wallet need to return excess funds to the MakerDAO Protocol based on the August 2023 budget report?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No.			
7.12	Other observations	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No.			