

Audit Report

Core Unit Name: DUX
Audit ID: 2023-02-DUX-001
Audit Cycle: 2023-02/2
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Facilitator contact: @venture
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Transparency Report expense.makerdao.network: <https://expenses.makerdao.network/core-unit/DUX/finances/reports?searchText=DUX&actuals>
Transparency Report Github: <https://github.com/makerdao-dux/transparency-reporting/blob/main/Monthly%20Budget%20Statements/2023-02.md>
MIP40c3-SP82: <https://mips.makerdao.com/mips/details/MIP40c3SP82#anagazalh-summary>
MIP40c3-SP26: <https://forum.makerdao.com/t/mip40c3-sp26-development-uk-core-unit-budget-dux-001/9774>
MIP40c3-SP52: <https://forum.makerdao.com/t/mip40c3-sp52-development-uk-core-unit-budget-dux-001/12085>
MIP40c3-SP27: <https://forum.makerdao.com/t/mip40c3-sp27-development-uk-core-unit-mkr-budget-dux-001/9777>



#	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 DUX MIP40c3-SP52 and MIP40c3-SP82					Note that DUX has a new approved budget as of Feb 1st, 2023 MIP40c3-SP82 through January 31st 2024			
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 wallet with 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-SP52?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	DUX has adopted the standard MakerDAO nomenclature for the budget categories.			
	Is the operational wallet Multi-sig wallet setup the same as described in the MIP40c3-SP52?					No. DUX clarified the change of wallet address for one team member in Feb 2022. ETH address eth:0bEd1c76C86AaE8eA08b1B918aB2eDc4A1465745c was added February 8th 2022 and eth:0bf66e9288BDFD84A9DEE179Ac226b6c16ec850DA was removed on February 9th 2022.			The Budget Implementation diagram in the MIP40c3-SP52 was updated with the new operational wallet eth address eth:0bEd1c76C86AaE8eA08b1B918aB2eDc4A1465745c, and the removal of eth address eth:0bf66e9288BDFD84A9DEE179Ac226b6c16ec850DA
0.7	Is the DUX operational wallet controlled by more than 1 signer?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes, the DUX operational wallet has a current policy of 3 out of 6 signers.			
0.8	Is the auditor wallet Multi-sig wallet setup the same as described in the MIP40c3-SP52?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes. The Auditor Wallet requires 2 out of 2 confirmations. Auditor's wallet eth address: eth:0x5A99d08428CCEBC153863Cda9D2B6352f89ad Signers: Accountant role wallet eth:0xA2A855A48D2a92e8A5a437690875261535c8320C Auditor role wallet eth:0xB24da57e224949acDDe173a5b8A8160c022a8a866			
0.9	Has the DUX auditor wallet receive funds from the protocol?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes it received funds from the new vesting stream ID 14.			
0.10	Has the DUX auditor wallet sufficient funds to top up the Dux operational wallet?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes.			
0.11	Has the DUX 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. DUX has received the requested funds in the January 2023 budget statement.			
12		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

Audit Questions to Transparency Report - Section 1. Last Month Actuals -									
1.1	Is the actuals budget category breakdown the same as in the MIP40c3-SP52?								
1.2	Is the transparency report actual's forecast the same as the forecast last published for the same month?								
1.3	Are the differences between forecast and actuals explained in the transparency report?								
1.4	Are the DUX actual expenses within the monthly MIP40c3-SP52 budget cap?								
1.5	Are the DUX actual expenses within the Global/total MIP40c3-SP52 budget cap?								
	Has the DUX Compensation & Benefits any significant deviations between forecast and actuals?								"Difference due to the payment of a delayed january salary and another salary sent to accountable to hold as a deposit."
1.6	Has the DUX Travel & Entertainment any significant deviations between forecast and actuals?								
1.7									
	Has the DUX Software Expense any significant deviations between forecast and actuals?								
1.8									"Alchemy was billed 18,034.68 DAI (not forecasted). Increased software costs due to a (D)DOS attack"
1.9	Has the DUX Gas Expense any significant deviations between forecast and actuals?								
1.10	Has the DUX Admin Expense any significant deviations between forecast and actuals?								"Slightly higher payment processor fee."
1.11	Has the DUX one-time expense any significant deviations between forecast and actuals?								
1.12	Has the DUX Professional Services any significant deviations between forecast and actuals?								
1.13	Has the DUX presented the correct calculation of amounts for the actuals, forecast and difference?								
1.14	Has the DUX any budget category that seems inconsistent and needs further investigation?								
1.15	Other observations								
Audit Questions to Transparency Report - Section 2. Budget Forecast -									
2.1	Does the transparency report display the MIP40c3-SP82 caps for both total and budget categories?								
2.2	Are the monthly and quarterly budget caps (both totals and per category) the same as in the MIP-40c3-SP82?								
2.3	Are the quarterly forecast within the bounds of the and MIP-40c3-SP82 budget caps?								
2.4	Are the monthly forecast totals within the MIP-40c3-SP82 monthly budget cap?								
2.5	Has the DUX presented the correct calculation of amounts for the budget forecast?								
Audit Questions to Transparency Report - Section 3. MKR Vesting Overview -									
3.1	Has the DUX indicated the number of FTE in the transparency report's MKR vesting overview?								
3.2	Has the MKR vesting overview the same FTE comparing it to the MIP40c3-SP27?								
3.4	Are the MKR vesting dates the same as in the MIP40c3-SP27?								
3.5	Is the MKR total budget cap in the transparency report the same as in the approved MIP40c3-SP27?								
3.6	Has DUX changed the MKR amounts comparing it to the last published transparency report?								
3.7	Has DUX explained the MKR change in the transparency report?								

3.8	Other observations	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
	Audit Questions to Transparency Report - Section 4. Transfers -												
4.1	Does the DUX operational wallet balance match the transparency report current balance in the calculation made for the new transfer?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	The balance is the Feb 2023 balance before the Mar 2023 payments.		
4.2	Are the payments from the operational wallet the same as in the actuals payments?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes.		
4.3	Are the MKR actuals in the MKR table correct?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes.		
4.4	Is the DUX auditor wallet current balance in MKR correct?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes.		
4.5	Other observations	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No.		