Audit Report

Core Unit Name: SAS
Audit ID: 2021-12-SAS001
Audit Cycle: 2021 - 12/ 2
Audit Result: Pending CU Action to review
Audit Date: 01-20-2022 and V2 01-27-2022
Facilitator contact: @danik
Core Unit Clarification Received on Date
Transparency Report: https://github.com/makerdao-sas/transparency-reporting/blob/main/Monthly%20Budget%20Statements/2021-12.md
MIP40c3-SP43: https://forum.makerdao.com/t/mip40c3-sp43-adding-sidestream-auction-services-core-unit-budget-sas-001/10799
MIP40c3-SP44: https://forum.makerdao.com/t/mip40c3-sp44-adding-sidestream-auction-services-core-unit-mkr-budget-sas-001/10802

			Approved
			Approved with comments
			Needs action before approval
			Escalate

#	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 consitency with SAS MIP40c3-SP43								
0.1	Are the sections in the transparency report in the right order: Actuals, Forecast, MKR vesting and Transfers?	☑	☐	☐	☐	Yes.			
0.2	Does the actual section include breakdowns per Budget Category, Forecast, Actuals, Difference and Payments?	☑	☐	☐	☐	Yes.			
0.3	Does the budget forecast cover 3 months with summary and budget category breakdown?	☑	☐	☐	☐	Yes.			
0.4	Does the budget forecast summary and breakdown contain the quarterly budget caps for comparison?	☑	☐	☐	☐	Yes.			
0.5	Does the budget forecast summary contain the Global/total budget cap?	☑	☐	☐	☐	Yes.			
0.6	Are the budget forecast categories in the transparency report the same as in the MIP40c3-SP43?	☑	☐	☐	☐	Yes.			
0.7	Is the Multi-sig wallet setup the same as described in the MIP40c3-SP43?	☑	☐	☐	☐	Yes: SAS Operational Wallet quorum (2:3) Controlled by the SAS Core Unit team Address: 0x465AA62a82E220B331f5ECcA697c20E89554B298 Signers 0x27473689016046f00f424fEB64b2E468841ebfE 0x4f3B7fb6204C614B28F0e1f50Dc1C99175631678 0xD95802afC02B49e5C1a6016D44d08fe37EAfEc9d			
0.8	Is the SAS operational wallet controlled by more than 1 signer?	☑	☐	☐	☐	Yes, the SAS operational wallet has a current policy of 2 out of 3 signers			
0.9	Has the SAS auditor wallet receive the initial seed funds from the protocol prior transfer to the SAS wallet?	☑	☐	☐	☐	Yes, the auditor wallets has received 245,738 DAI from the protocol https://etherscan. io/tx/0xab810a967ba4a68862c4433ec4185fbe1a3ff121bf4b38535a2aab4a8e9908a4 The MIP40c3-SP43 total busget cap less contingency buffer is 245,737.50 DAI.			
0.10	Has the SAS operational wallet received a top-up after the audit of the last transparency report?	☑	☐	☐	☐	Yes, the SAS operational wallet received 241,209.5 DAI on December 14, 2021. https://etherscan. io/tx/0x4c40e7e54f832c640a8c616330999df6abd0a7971b27f6a1c5d6d			
	Transparency Report - Section 1. Last Month Actuals -								
1.1	Is the actuals budget category breakdown the same as in the MIP40c3-SP43?	☑	☐	☐	☐	Yes.			
1.2	Is the transparency report actual´s forecast the same as the last published forecast for the same month?	☑	☐	☐	☐	Yes. SAS corrected the monthly budget total amount from 82,912.50, to the MIP's monthly cost approved amount of 81,912.50 as suggested in Audit Report 2021-12/2.			
1.3	Are the differences between forecast and actuals explained in the transparency report?	☑	☐	☐	☐	Yes.			
1.4	Are the SAS actual expenses within the montly MIP40c3-SP43 buget cap?	☑	☐	☐	☐	Yes.			
1.5	Are the SAS actual expenses within the Global/total MIP40c3-SP43 budget cap?	☑	☐	☐	☐	Yes.			
1.6	Has the SAS contractor fees any significant deviations between forecast and actuals?	☑	☐	☐	☐	No. There is a perfect match.			

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1.7	Has the SAS travel costs any significant deviations between forecast and actuals?	☐	☑	☐	☐	Yes. The travel costs forecast is 500 and the actual is 1,708.56, this results in a negative difference of -1,208.56 DAI.	SAS has already made some bookings for an upcoming CU offsite.		
1.8	Has the SAS IT Infrastructure and subscriptions costs any significant deviations between forecast and actuals?	☐	☑	☐	☐	Yes. The IT infrastructure and subscriptions costs forecast is 3,236.00, and the actual is 3,702.02, this gives a negative difference of -466.02 DAI.	SAS bought a few annual subscriptions for tools.		
1.9	Has the SAS gas fees any significant deviations between forecast and actuals?	☐	☑	☐	☐	Yes. The gas fees forecast is 1,000, and the actual is 340, this results in a positive difference of 660 DAI.	SAS had fewer transactions than planned.		
1.10	Has the SAS professional and Legal Services costs any significant deviations between forecast and actuals?	☐	☑	☐	☐	Yes. The Legal Services forecast is 5,145, and the actual is 3,727.30, resulting in a positive difference of 1,417.70 DAI.	The positive difference is due to delayed legal work.		
1.11	Has the SAS office space any significant deviations between forecast and actuals?	☐	☑	☐	☐	Yes. The office space forecast is 1,498, and the actual is 2,119.55, this results in a negative difference of -621.55 DAI.	The negative difference is due to one-time costs (desks, contract changes in the month of operating CU)		
1.12	Has the SAS other services fees any significant deviations between forecast and actuals?	☐	☑	☐	☐	Yes. The SAS orther services forecast is 4,000, and the actuals of 4,713.73, this gives a negative difference of -713.73 DAI.	SAS created multiple invoices to the payment processor (some cost is variable per invoice)		
1.13	Has the SAS presented the correct calculation of amounts for the actuals, forecast and difference?	☑	☐	☐	☐	SAS corrected the amounts in the budget statement as indicated in the audit report 2021-12/2 "The monthly budget total is 82,912.50 different from the MIP´s monthly cost that is 81,912.50. The total sum of the difference (Budget - Actual) needs correction from 3,863.83 to 2,863.84. " , however the amount in the report is set to 2,863.83.			
1.14	Has the SAS any budget category that seems inconsistent and needs further investigation?	☑	☐	☐	☐	No.			
	Audit Questions to Section Transparency Report - Section 2. Budget Forecast -								
2.1	Does the transparency report display the MIP40c3-SP43 caps for both total and budget categories?	☑	☐	☐	☐	Yes.			
2.2	Are the montly and quarterly budget caps (both totals and per category) the same as in the MIP40c3-SP43?	☑	☐	☐	☐	Yes.			
2.3	Are the quarterly forecast within the bounds of the MIP40c3-SP43 budget caps?	☑	☐	☐	☐	Yes.			
2.4	Are the montly forecast totals within the MIP40c3-SP43 montly budget cap?	☑	☐	☐	☐	Yes.			
	Audit Questions to Section Transparency Report - Section 3. MKR Vesting Overview -								
3.1	Has the SAS indicated the number of FTE in the transparency report´s MKR vesting overview?	☑	☐	☐	☐	Yes.			
3.2	Has the MKR vesting overview the same FTE comparing it to the MIP40c3-SP44?	☑	☐	☐	☐	Yes.			
3.3	Are the MKR vesting dates the same as in the MIP40c3-SP44?	☑	☐	☐	☐	Yes.			SAS should add the year complete the December date 2023 on the original approved budget and review the MKR budget taking in consideration new onboardings.
3.4	Has SAS changed the MKR amounts comparing it to the MIP40c3-SP44?	☑	☐	☐	☐	No. SAS re-arranged the MKR section as adviced in the audit report 2021-12/2			
3.5	Has SAS explained the MKR change in the transparency report?	☐	☐	☐	☐	This control can only be made if the above question is yes.			

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	Audit Questions to Section Transparency Report - Section 4. Transfers -								
4.1	Does the SAS operational wallet balances match the transparency report current balance in the calculation made for the new transfer?	☑	☐	☐	☐	Yes, SAS has corrected the wallet balance as indicated in the audit report 2021-12/2 "The current balance in the transaparency report is 164,530.38 DAI and the actual balance on January 1, 2022 is 162.043 DAI. https://gnosis-safe.io/app/eth:0x465AA62a82E220B331f5ECcA697c20E89554B298/balances"			
4.2	Are the payments from the operational wallet the same as in the actual section payments?	☑	☐	☐	☐	Yes. SAS has added the operational wallet payments to the actuals sections as indicated in the audit report 2021-12/2.			