

Audit Report

Core Unit Name: IS
Audit ID: 2021-12-IS001
Audit Cycle: 2021 - 12 / 4
Audit Date: V1-2021-12-14 , V2-2022-01-18, V3-2022-01-24 and V4-2022-01-25
Facilitator contact: @psychonaut#7023
Core Unit Clarification Received on Date:

Approved

Approved with comments

Needs action before approval

Pending

Transparency Report: <https://github.com/makerdao-is/transparency-reporting/blob/main/Monthly%20Budget%20Statements/2021-12.md>
MIP40c3-SP42: <https://forum.makerdao.com/t/mip40c3-sp42-adding-immune-fi-security-core-unit-budget-is-001/10813>
MIP40c3-SP41: <https://forum.makerdao.com/t/mip40c3-sp41-immune-fi-security-core-unit-mkr-budget-is-001/10814>

#	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 IS MIP40c3-SP42									
0.1	Are the sections in the Monthly Budget Statement 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 with Budget Category, Forecast, Actuals, Difference and Payments?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Not applicable as this is the first audit of the IS Monthly Budget Statement.			
0.3	Does the Budget Forecast summary contain the Global/total budget cap?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes. IS corrected the calculation and added the Budget Cap + Buffer to the report.			
0.4	Does the Budget Forecast cover 3 months with a summary and Budget Category breakdown?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes. The total amount of the Budget Cap of 122,187.50 was added to the report.			
0.5	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, The quarterly budget caps are included in the budget forecast summary.			
0.6	Are the Budget Forecast Breakdown categories in the Monthly Budget Statement the same as in the MIP40c3-SP42?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No, the budget category Gas fees in the transparency report does not match any category in the MIPc3-SP42. However, the report explains that the Gas fees are covered by the contingency buffer.			
0.7	Is the Multi-sig wallet setup the same as described in the MIP40c3-SP42?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes: IS Operational Wallet quorum (2:3) Controlled by the IS Core Unit team Address: 0x124c759D1084E67B19a206ab85c4527Fab26c342 Signers 0x2BC5fFc5De1a83a9e4cDdFA138bAEd516D70414b 0xAcaF835934eE40E0d5ee3F941E283499F8Ad97eD 0xFc87601A80d3e4F0aF083a899e3fee203C23cF0			
0.8	Is the IS operational wallet controlled by more than 1 signer?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes, the IS operational wallet has a current policy of 2 out of 3 signers			
0.9	Has the IS auditor wallet received the initial seed funds from the protocol prior transfer to the IS Operational Wallet?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes, the auditor wallets has received 195,443 DAI from the protocol https://etherscan.io/tx/0xab810a967ba4a68862c4433ec4185fba3ff121bf4b38535a2aab4a8e9908a4 The MIP40c3-SP42 total budget cap less contingency buffer is 106,250 DAI. This initial transfer includes yearly and one time costs described in the MIP.			
0.10	Has the IS operational wallet received the initial funds based on the IS three month budget?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes, the IS operational wallet has received 166,450 DAI from the IS auditor wallet. https://etherscan.io/tx/0x05fdc7509bffd8b972ec3dcc34efc7f13dc5e7809ea4d7fccacbd93902360246			
0.11	Has the IS Operational wallet received a top-up after the audit of the last Monthly Budget Statement?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Not applicable as this is the first audit of the IS Monthly Budget Statement.			
Monthly Budget Statement - Section 1. Last Month Actuals -									
Audit Questions to Section Monthly Budget Statement - Section 2. Budget Forecast -									
2.1	Does the Monthly Budget Statement display the MIP40c3-SP42 caps for both total and budget categories?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes, the contingency buffer was added to the total Budget Cap in the report.			
2.2	Are the montly and quarterly budget caps (both totals and per category) the same as in the MIP40c3-SP42?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes.			
2.3	Are the quarterly forecast within the bounds of the MIP40c3-SP42 budget caps?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes . The total budget forecast is 166,450, the agreed MIP40c3-SP42 budget cap of \$195,442.50 for the three months of runway.			
2.4	Are the monthly forecast totals within the MIP40c3-SP42 monthly budget cap?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes. The monthly forecast totals are within the MIP40c3-SP42 monthly budget cap. However, the Gas fees category is not included in the in the MIP40c3-SP42, it is explained below the quarterly forecast that the Gas fees are covered by the contingency buffer.	The Gas fee category will be added to the Budget MIP next time the MIP40c3 is reviewed.		

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Audit Questions to Section Monthly Budget Statement - Section 3. MKR Vesting Overview -									
3.1	Has IS 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"/>	Yes. The FTE is included in the MKR vesting overview section of the Monthly Budget Statement.			
3.2	Has the MKR vesting overview the same FTE comparing it to the MIP40c3-SP41?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes. The MKR vesting overview in the transparency report has the same FTE as in the MIP40c3-SP41.			
3.3	Are the MKR vesting dates the same as in the MIP40c3-SP41?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	The MKR vesting overview in the Monthly Budget Statement is correct.			
3.4	Has IS changed the MKR amounts comparing it to the MIP40c3-SP41?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	IS shows the MKR Amounts approved in MIPc3-SP41 as additions on this report. This is due to the Core Unit launching. The report shows the approved contributors as new hires to the CU, and amounts match.			
3.5	Has IS explained the MKR change in the Monthly Budget Statement?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes, IS explained that compared to last month (when the Core Unit wasn't operating), new MKR additions on this report are for the approved MKR amounts for its contributors.			
Audit Questions to Section Monthly Budget Statement - Section 4. Transfers -									
4.1	Does the IS Operational Wallet balances match the Monthly Budget Statement current balance in the calculation made for the new transfer?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes, there is a perfect match.			
4.2	Are the payments from the operational wallet the same as in the actuals payments?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No transactions were found.			