

Audit Report

Core Unit Name: IS
Audit ID: 2022-06-IS001
Audit Cycle: 2022 - 06 /2
Audit Date: 07-26-2022
Audit Result: Approved
Submission Date: 07-23-2022
Facilitator contact: @psychonaut#7023
Core Unit Clarification Received on Date:

Transparency Report: <https://github.com/makerdao-is/transparency-reporting/blob/main/Monthly%20Budget%20Statements/2022-06.md>
MIP4c2-SP17: <https://forum.makerdao.com/t/mip4c2-sp17-rapid-payment-for-small-bug-bounties-mip64-mip40c3-sp42-amendment/12869>
MIP40c3-SP58: <https://forum.makerdao.com/t/mip40c3-sp58-modify-core-unit-budget-immunefi-security-core-unit-budget-is-001/12598>
MIP40c3-SP42: <https://forum.makerdao.com/t/mip40c3-sp42-adding-immunefi-security-core-unit-budget-is-001/10813>
MIP40c3-SP41: <https://forum.makerdao.com/t/mip40c3-sp41-immunefi-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-SP58				Note.- IS Budget MIP40c3-SP58 was ratified on 02-28-2022 and MIP4c2-SP17 was ratified on 03-28-2022				
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, Payments and Reason for the diff. ?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes.				
0.3	Does the Budget Forecast summary contain the Qly budget cap?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes. IS has added the approved Bounty payout budget of 100,000 +15% per month from April 2022. https://mips.makerdao.com/mips/details/MIP40c3SP58#sentence-summary https://forum.makerdao.com/t/mip4c2-sp17-rapid-payment-for-small-bug-bounties-mip64-mip40c3-sp42-amendment/12869				
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.				
0.5	Does the Budget Forecast summary and breakdown contain the budget caps for comparison?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes. IS has a periodic budget cap and one time costs.				
0.6	Are the Budget Forecast Breakdown categories in the Monthly Budget Statement the same as in the MIP40c3-SP58 and MIP4c2-SP17?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No. The IS-specific budget categories nomenclature was replaced with the SF standard chart of accounts nomenclature as of June 2022.				
0.7	Is the Multi-sig wallet setup the same as described in the MIP40c3-SP58?	<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 0xFfC87601A80d3e4F0aF083a899e3fee203C23cF0				
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 wallet has received 195,443 DAI from the protocol https://etherscan.io/tx/0xab810a967ba4a68862c4433ec4185fbc1a3ff121bf4b38535a2aab4a8e9908a4 The MIP40c3-SP42 total budget cap less contingency buffer is 106,250 DAI. This initial transfer includes operational expenses described in the IS-SP58.				
0.10	Has the IS auditor wallet received the initial funds for the operational audits 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 wallet has received 138,000 DAI from the protocol on March 6, 2022 https://etherscan.io/tx/0x25a0b1ac21cb1a7076d14687c56025133d987ebc37d6e538e7a5e7764083600				
0.11	Has the IS Operational wallet received a top-up after the audit of the last Monthly Budget Statement?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No, the IS Operational wallet did not receive a top up due to plenty of unused funds. https://gnosis-safe.io/app/eth:0x124c759D1084E67B19a206ab85c4527Fab26c342/transactions/history				
		Audit Questions to the Monthly Budget Statement - Section 1. Last Month Actuals -								
1.1	Is the actuals budget category breakdown the same as in the MIP40c3-SP58?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes.				
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"/>	Yes.				
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.				
1.4	Are the IS actual expenses within the MIP40c3-SP458 total buget cap?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes.				
1.5	Are the IS actual expenses within the total MIP40c3-SP58 budget cap for the current quarter?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes.				

Audit Report

Core Unit Name: IS

Audit ID: 2022-06-IS001

Audit Cycle: 2022 - 06 / 2

Audit Date: 07-26-2022

Audit Result: Approved

Submission Date: 07-23-2022

Facilitator contact: @psychonaut#7023

Core Unit Clarification Received on Date:

Transparency Report: <https://github.com/makerdao-is/transparency-reporting/blob/main/Monthly%20Budget%20Statements/2022-06.md>

MIP4c2-SP17: <https://forum.makerdao.com/t/mip4c2-sp17-rapid-payment-for-small-bug-bounties-mip64-mip40c3-sp42-amendment/12869>

MIP40c3-SP58: <https://forum.makerdao.com/t/mip40c3-sp58-modify-core-unit-budget-immunefi-security-core-unit-budget-is-001/12598>

MIP40c3-SP42: <https://forum.makerdao.com/t/mip40c3-sp42-adding-immunefi-security-core-unit-budget-is-001/10813>

MIP40c3-SP41: <https://forum.makerdao.com/t/mip40c3-sp41-immunefi-security-core-unit-mkr-budget-is-001/10814>

# Audit Question		Approved	Approved with comments	Needs action before approval	Disputed	Audit Assessment	Core Unit's Clarification	Immediate CU Action to Improve Monthly Budget Statement	Medium Term CU Action to Improve Monthly Budget Statement
1.6	Has the Admin Expense any significant deviations between forecast and actuals?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes. The forecast is 100,000 and the actual is 0.	IS explains that the difference is due to "no bug bounties."		
1.7	Has the IS Compensation and Benefits any significant deviations between forecast and actuals?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes. The forecast is 22,500 and the actual expense is 14,168. The difference is 14,168.	IS explains in the budget statement that the difference is due to "Regarding Compensation & Benefits, Travin decided to forfeit the remainder of		
1.8	Has the IS Professional Services any significant deviations between forecast and actuals?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes, the forecast is 65,000 and the actual expense is 50,000, this gives a difference of 15,000.	The difference is due to "Regarding Professional Services, we did not use ChainSecurity. Immunefi mistakenly invoiced us for 50k instead of 55k."		
1.9	Has the IS Gas 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 1,000 and the actual expense is 0.	No purchase of ETH in June 2022.		
2.0	Has the IS Software Expense any significant deviations between forecast and actuals?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No.			
2.1	Has the IS 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.			
2.2	Has the IS Actuals Section any budget category that seems inconsistent and needs further investigation?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No.			
2.3	Other observations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No.			
Audit Questions to the Monthly Budget Statement - Section 2. Budget Forecast -									
2.1	Are the budget caps (both totals and per category) the same as in the MIP40c3-SP58 and MIP4c2-SP17?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	IS has added the Bounty Payout budget category to its forecast since April 2022. The IS CU has, per March 28th, 2022, an approved budget of 100,000 + 15% = 115,000 DAI per month to be used for bug bounty payments that are categorized as admin expenses.			
2.2	Are the quarterly forecast within the bounds of the MIP40c3-SP58 and MIP4c2-SP17 budget caps?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes.			
2.3	Are the quarterly forecast totals within the approved MIP40c3-SP58 and MIP4c2-SP17 budget caps?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes.			
2.4	Has the IS presented the correct calculation of amounts in the Budget Forecast section?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	IS has a periodic budget that is calculated based on the information given in the budget MIPs.			
2.5	Is there a year to date forecast versus expenses observation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No.			
2.6	Other observations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No.			
Audit Questions to the 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.			
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.			

Audit Report

Core Unit Name: IS

Audit ID: 2022-06-IS001

Audit Cycle: 2022 - 06 / 2

Audit Date: 07-26-2022

Audit Result: Approved

Submission Date: 07-23-2022

Facilitator contact: @psychonaut#7023

Core Unit Clarification Received on Date:

Transparency Report: <https://github.com/makerdao-is/transparency-reporting/blob/main/Monthly%20Budget%20Statements/2022-06.md>

MIP4c2-SP17: <https://forum.makerdao.com/t/mip4c2-sp17-rapid-payment-for-small-bug-bounties-mip64-mip40c3-sp42-amendment/12869>

MIP40c3-SP58: <https://forum.makerdao.com/t/mip40c3-sp58-modify-core-unit-budget-immunefi-security-core-unit-budget-is-001/12598>

MIP40c3-SP42: <https://forum.makerdao.com/t/mip40c3-sp42-adding-immunefi-security-core-unit-budget-is-001/10813>

MIP40c3-SP41: <https://forum.makerdao.com/t/mip40c3-sp41-immunefi-security-core-unit-mkr-budget-is-001/10814>

# Audit Question		Approved	Approved with comments	Needs action before approval	Disputed	Audit Assessment	Core Unit's Clarification	Immediate CU Action to Improve Monthly Budget Statement	Medium Term CU Action to Improve Monthly Budget Statement
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"/>	Yes.			
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"/>	No.			
3.5	Has IS 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 made if the answer to the above question is yes.			
Audit Questions to the 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. The budget statement operational wallet balance is 447,276. Prior audit calculation included the payment of the following month.			
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"/>	Yes. On-chain payments do match the 64,194 reported payments in June 2022.			
4.3	Has the IS Auditor wallet sufficient funds to top up the IS operational wallet?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	There is no need for a transfer of funds to the operational wallet. The IS Auditor wallet balance is 138,920.33678326 DAI on July 26th, 2022.			
4.4	Does IS Operational wallet need to return excess funds to the auditor wallet based on the June 2022 budget report?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes.			
4.5	Does IS Auditor wallet needs to return excess funds to the MakerDAO Protocol based on the Maj 2022 budget report?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No.			