

Audit Report

Core Unit Name: DUX
Audit ID: 2023-04-DUX-001
Audit Cycle: 2023-04/1
Audit Date: 2023-05-17
CU published BS date: 2023-05-14
Audit Result: Needs CU Action
Facilitator contact: @venture

Core Unit Clarification Received Date:

Transparency Report <https://expenses.makerdao.network/core-unit/DUX/finances/reports?searchText=DUX&view=default&viewMonth=Apr2023§ion=actuals>
Transparency Report GitHub: <https://github.com/makerdao-dux/transparency-reporting/blob/main/Monthly%20Budget%20Statements/2023-04.md>
MIP40c3-SP82: <https://mips.makerdao.com/mips/details/MIP40c3SP82#naraqaah-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-001/72085>
MIP40c3-SP27: <https://forum.makerdao.com/t/mip40c3-sp27-development-uk-core-unit-mkr-budget-dux-001/9777>

#	Audit Question	<div><div></div><div></div><div></div><div></div><div></div></div>	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 MIP40c3-SP82		Note that DUX has a new approved budget per Feb 1st, 2023 MIP40c3-SP82.			
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"/> 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"/> 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"/> 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"/> Yes.			
0.5	Does the budget forecast summary contain the Global/total budget cap?	<input checked="" 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-SP82?	<input checked="" 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 and or MIP40c3-SP82?		No. DUX clarified the change of wallet address for one team member in Feb 2022. ETH address eth:0bEd1cC76C86AaE8eA08b1B918aB2eDcA1465745c was added February 8th 2022 and eth:0bf66e928B8DEFD84A9DEE179Ac226be16ec850DA was removed on February 9th 2022.			
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"/> Operational wallet controlled by the current DUX Core Unit team Address: 0x6C0d45C55498AaCb72b6689E1d05A284C69c0C7 Signers eth:0x14341f81dF14cA86E1420cC9e6Abd34Fb1c5bFC eth:0x388e9e5a889C4c0F3752C1AfF888758DE673eE eth:0b8967A9ad50977adb86603922A0b34d063cd2ad6d eth:0xD797f7e4840aA933c9dA8eBcF7c879F0a1018 eth:0bda8E5b5DD14759B9E382a5D6260754AH9942A eth:0bEd1cC76C86AaE8eA08b1B918aB2eDcA1465745c 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:0x5A95d842CC8C135863CdAd9D28e6352f89ad Signers: Account role wallet eth:0x4D465A8d7d95285A5845769087561535c8320C eth:0x0826a57e22f949acDDe173c5b8A8160c023ea86e6 Yes it received funds from the new vesting stream ID 14.			
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"/> No. SES will coordinate the call of funds to the Auditor wallet.			
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. DUX has received the requested funds in the March 2023 budget statement.			
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"/>			
0.12	Audit Questions to Transparency Report - Section 1. Last Month Actuals -					
1.1	Is the actuals budget category breakdown the same as in the MIP40c3-SP82?	<input checked="" type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> DUX has adopted the standard MakerDAO nomenclature for the budget categories.			
1.2	Is the transparency report actual's forecast the same as the forecast last published for the same month?	<input type="checkbox"/>	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> No.		DUX needs to correct the forecast data.	

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 DUX actual expenses within the monthly MIP40c3-SP82 budget cap?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes.			
1.5	Are the DUX actual expenses within the Global/total MIP40c3-SP82 budget cap?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes.			
1.6	Has the DUX Compensation & Benefits any significant deviations between forecast and actuals?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	The compensation & benefits actuals are over the monthly budget cap due to compensation payment of previous months	Team Member was compensated for the months of February, March and April with funds previously sent as deposits.		
1.7	Has the DUX Travel & Entertainment any significant deviations between forecast and actuals?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes.	Difference due to high team travel expenses realted to the Seoul offsite.		
1.8	Has the DUX Software Expense any significant deviations between forecast and actuals?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes.	Difference due to higher Amazon Web Services costs.		
1.9	Has the DUX Gas Expense any significant deviations between forecast and actuals?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No.			
1.10	Has the DUX Admin Expense any significant deviations between forecast and actuals?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes.	Higher Payment Processor Fees due to team members' travel expenses for the month.		
1.11	Has the DUX Professional Services any significant deviations between forecast and actuals?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No.			
1.12	Has the DUX 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.			
1.13	Has the DUX any budget category that seems inconsistent and needs further investigation?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No.			
	Other observations							DUX needs to review the actuals in the master sheet and review the balance summary in the sheet to always maintain the correct balance. DUX needs to push the data for the transparency reporting via the budget tool to expenses.makerdao.network. Including FTE and comments to explain the differences.	
1.14		<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The balance summary in the Master sheet has a too high value. April 2023 missing report at expense.makerdao.network			
	Audit Questions to Transparency Report - Section 2. Budget Forecast -					Note that DUX has a new approved budget per Feb 1st. 2023 MIP40c3-SP82			
2.1	Does the transparency report display the MIP40c3-SP82 caps for both total and budget categories?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes.			
2.2	Are the monthly and quarterly budget caps (both totals and per category) the same as in the MIP-40c3-SP82?	<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 and MIP-40c3-SP82 budget caps?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes.			
2.4	Are the monthly forecast totals within the MIP-40c3-SP82 monthly budget cap?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	The compensation & benefits for June 2023 is over the monthly budget cap but within the qly. budget cap.			
2.5	Has the DUX presented the correct calculation of amounts for the budget forecast?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes.			
	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?	<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-SP27?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	The Approved MKR budget covers 3 years for 6 FTEs for max. 1982.87 MKR.			
3.4	Are the MKR vesting dates the same as in the MIP40c3-SP27?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No, the MIP40c3-SP27 includes the following vesting date December 2021 = 0 MKR. However, all other vesting dates are 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?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes.			
3.6	Has DUX changed the MKR amounts comparing it to the original vesting amounts?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	The MKR amount with vesting date Dec 31, 2022 has changed from 210.85 to 180.6 due to a decrease in FTE. The MKR amount with vesting date Jun 1, 2023 has changed from 210.85 to 225.12 due to extra member compensation.			
3.7	Has DUX explained the MKR change in the transparency report?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes.			
3.8	Other observations	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No.			
	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 type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The balance needs correction.		DUX needs to review the balance and correct the requested amount.	
4.2	Are the payments from the operational wallet the same as in the actuals payments?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	No.		DUX needs to correct the on-chain payment amounts.	

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"/>	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"/>	Yes.				
4.5	Other observations	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	DUX needs to push the data via the budget tool to expenses.makerdao.network. Including FTE and comments to explain the differences. Once all data is pushed the report status should be changed from Draft to Review.			DUX needs to push the data via the budget tool to expenses.makerdao.network. Including FTE and comments to explain the differences. Once all data is pushed the report status should be changed from Draft to Review.	