

Audit Report

Core Unit Name: SAS

Audit ID: 2022-02-SAS001

Audit Cycle: 2022 - 02/ 1

Audit Result: Needs CU action

Audit Date: V2 - 03-18-2022

Budget Statement Submission Date: 03-17-2022

Facilitator contact: @danik

Core Unit Clarification Received on Date:

Transparency Report: <https://github.com/makerdao-sas/transparency-reporting/blob/main/Monthly%20Budget%20Statements/2022-02.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>



#	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 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 SAS operational 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 0x274736890166046f00f424fEB64b2E468841ebfE 0x4f3B7fb6204C614B28F0e1f50Dc1C99175631678 0xD95802afC02B49e5C1a6016D44d08fe37EAFfc9d			
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/0xab810a967ba4a68862c4433ec4185fbc1a3ff121bf4b38535a2aab4a8e9908a4 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 84,407.73 DAI on February 21, 2022. https://etherscan.io/tx/0x65ba609505502d7a4ff3da576e5c1776d44dea3d3489d3311b1c			
0.11	Is the SAS Auditor Multi-sig wallet setup the same as described in the MIP40c3-SP43?	✓	□	□	□	Yes. SAS Auditor Wallet quorum (2:2) eth address:0xb1f950a51516a697E103aaa69E152d839182f6Fe Signers: SES Auditor Role Wallet eth:0xB2da57e224949acDDe173a5b8A8160c023ea86e6 SES Accountant Role Wallet eth:0xA2A855Ac8D2a92e8A5a437690875261535c8320C			
0.12	Has the SAS Auditor wallet received the funds from the protocol?	✓	□	□	□	Yes. Last transaction was recieved on February 14th, 2022. The auditor wallet balance on March 18th,2022 is 77,937.30102043 DAI.			
	Audit Questions to 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.			
1.3	Are the differences between forecast and actuals explained in the transparency report?	✓	□	□	□	Yes.			

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1.4	Are the SAS actual expenses within the monthly MIP40c3-SP43 buget cap?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No. The monthly budget cap is 81,912.50, and the actual expenses for Feb 2022 are 82,616.92. The negative difference of 1,278.01 is due to the increased cost of IT Infrastructure, increased FTE, and higher payments processor fees due to a higher volume of payments in Feb.			
1.5	Are the SAS actual expenses within the quarterly total MIP40c3-SP43 budget cap?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes.			
1.6	Has the SAS contractor fees any significant deviations between forecast and actuals?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No. There is a perfect match.			
1.7	Has the SAS travel & events costs any significant deviations between forecast and actuals?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No.			
1.8	Has the SAS IT Infrastructure and subscriptions costs any significant deviations between forecast and actuals?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes. The IT infrastructure and subscriptions costs forecast is 2,506.00 and the actual expense is 2,788.05, this gives a negative difference of -282.5 DAI.	SAS explains that this is due to higher infrastructure costs.		
1.9	Has the SAS gas fees any significant deviations between forecast and actuals?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes. The gas fees forecast is 1,000, and the actual expense is 840, this results in a positive difference of 160 DAI.	The difference is due to fewer transactions.		
1.10	Has the SAS professional and Legal Services costs any significant deviations between forecast and actuals?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No.			
1.11	Has the SAS Engineer Contractor costs any significant deviations between forecast and actuals?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes. The forecast is 9,800 and the actual expense is 10,300, this results in a negative difference of -500 DAI.	SAS explains that the team had slightly more engineering work due to bigger scope.		
1.12	Has the SAS office space any significant deviations between forecast and actuals?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No.			
1.13	Has the SAS other services fees any significant deviations between forecast and actuals?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes. The SAS orther services forecast is 4,697.41, and the actual expense is 5,353.37, this gives a negative difference of -655.96.	The difference is due to higher payment processor fees.		
1.14	Has the SAS 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.			
1.15	Has the SAS any budget category that seems inconsistent and needs further investigation?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No.			
Audit Questions to Transparency Report - Section 2. Budget Forecast -									
2.1	Does the transparency report display the MIP40c3-SP43 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 MIP40c3-SP43?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes.			
2.3	Are the monthly forecast totals within the MIP40c3-SP43 monthly budget cap?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	The IT infrastructure, the Engineer contractor costs, and the Payment processor costs forecast in March 2022 are above the approved monthly budget category cap but within the approved quarterly budget cap.			
2.4	Is the quarterly forecast within the bounds of the MIP40c3-SP43 budget caps?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes.			
2.5	Has the SAS presented the correct calculation of amounts in the budger forecast section?	<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 SAS 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-SP44?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes.			

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3.3	Are the MKR vesting dates the same as in the MIP40c3-SP44?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	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?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No.			
3.5	Has SAS explained the MKR change in the transparency report?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	This control can only be made if the above question is yes.			
Audit Questions to 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?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	No, the current balance in the transparency report is 157,423.00 DAI and the actual balance in the operational wallet on March 18, 2022 is 160,191.82 DAI. https://gnosis-safe.io/app/eth:0x465AA62a82f220B33115fCcA697c20E89554B298/balances		SAS should correct the current balance to 160,191.82 DAI	
4.2	Are the payments from the operational wallet the same as in the actual section payments?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The payment in the actual section is 82,616.92, however, the wallet transactions payments in Feb 2022 is 81,638.91.		SAS needs to clarify why the payment amount in the budget statement has a difference of 978.01.	