

Audit Report

Core Unit Name: DUX

Audit ID: 2022-05-DUX-001

Audit Cycle: 2022- 05 / 1

Audit Result: Needs CU Action

Audit Date: 06-24-2022

CU published BS date: 05-30-2022

Facilitator contact: @venture

Core Unit Clarification Received Date:

Transparency Report: <https://github.com/makerdao-dux/transparency-reporting/blob/main/Monthly%20Budget%20Statements/2022-05.md>

MIP40c3-SP26: <https://forum.makerdao.com/t/mip40c3-sp26-development-ux-core-unit-budget-dux-001/9774>

MIP40c3-SP52: <https://forum.makerdao.com/t/mip40c3-sp52-development-ux-core-unit-budget-dux-001/12085>

MIP40c3-SP27: <https://forum.makerdao.com/t/mip40c3-sp27-development-ux-core-unit-mkr-budget-dux-001/9777>



| # | Audit Question | | | | | Audit Assessment | Core Unit's Clarification | Immediate CU Action to improve transparency report | Medium Term CU Action to improve transparency report |
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| Audit Questions to the structure of the transparency report and consistency with DUX MIP40c3-SP52 | | | | | | | | | |
| 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"/> | <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"/> | <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"/> | <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"/> | <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"/> | <input type="checkbox"/> | Yes. | | | |
| 0.6 | Are the budget forecast categories in the transparency report the same as in the MIP40c3-SP52? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Yes. | | | |
| 0.7 | Is the operational wallet Multi-sig wallet setup the same as described in the MIP40c3-SP52? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | No. DUX clarified the change of wallet address for one team member in Feb 2022. ETH address eth: 0xEd1cC76C86AaE8eA08b1B918aB2eDc4A1465745c was added February 8th 2022 and eth: 0xf666e928BBDEFD84A9DEE179Ac226be16ec850DA was removed on February 9th 2022. Operational wallet controlled by the current DUX Core Unit team Address: 0x8Cd0ad5C55498Aacb72b6689E1da5A284C69c0C7 Signers eth:0x14341f81dF14cA86E1420eC9e6Abd343Fb1c5bfC eth:0x388e9e5a889C4cDF3f752C1AfCf88B75BDfE673eE eth:0x8967A9ad5097adb8603922A0b34d0633cb2daD6d eth:0xD797d7ea4B440aA933c9DdABeBFC1C879F0a1018 eth:0xda8E5b5DD1475B9BE382a5Df6e2602754Afff9342A eth:0xEd1cC76C86AaE8eA08b1B918aB2eDc4A1465745c | | The Budget Implementation diagram in the MIP40c3-SP52 is updated with the new operational wallet eth address eth: 0xEd1cC76C86AaE8eA08b1B918aB2eDc4A1465745c and the removal of eth address eth: 0xf666e928BBDEFD84A9DEE179Ac226be16ec850 DA | |
| 0.8 | Is the DUX operational wallet controlled by more than 1 signer? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Yes, the DUX operational wallet has a current policy of 3 out of 6 signers | | | |
| 0.9 | Is the auditor's 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: 0x5A994D8428CCEbCC153863CCdA9D28e6352f89ad Signers: Accountant role wallet eth: 0xA2A855Ac8D2a92e8A5a437690875261535c8320C Auditor role wallet eth: 0xB2da57e224949acDDe173a5b8A8160c023ea86e6 | | | |
| Audit Questions to Transparency Report - Section 1. Last Month Actuals - | | | | | | | | | |
| 1.1 | Is the actuals budget category breakdown the same as in the MIP40c3-SP52? | <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 forecast last published 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 DUX actual expenses within the monthly MIP40c3-SP52 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-SP52 budget cap? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Yes. | | | |
| 1.6 | Has the DUX contributor fees any significant deviations between forecast and actuals? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | The forecast is 85,000 DAI and the actual expense is 81,689.48 DAI, this results in a difference of 3,310.52 | DUX explains in the budget statement that the variation is due to estimate. | | |

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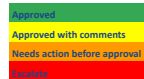
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| 1.7 | Has the DUX travel costs any significant deviations between forecast and actuals? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Yes, the forecast is 500 and the actual expense is 340.11 DAI. The difference is 159.89 DAI | | | |
| 1.8 | Has the DUX IT Infrastructure and services 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 15,000 DAI and the actual expense is 3,840.33 DAI, the difference is 11,159.67 DAI | DUX explains that the difference is due to "We were counting on paying 1 year of Alchemy but we have postponed" | | |
| 1.9 | Has the DUX gas fees 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 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 DUX one-time 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 500 DAI, and the actual expense is 0. | DUX explains that the difference is due to the difference is due to "No one time costs used this month." | | |
| 1.12 | Has the DUX payment 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 5,000 DAI, and the actual expense is 4,703.57 DAI, this results in a difference of 296.43. | DUX explains in the budget statement that the difference is due to "variation is due to estimate." | | |
| 1.13 | Has the DUX Contractor 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 5,000 DAI and the actual expense is 4,500, there is difference of 500. | DUX explains in the budget statement that the difference is due to "No one time costs used this month." | | |
| 1.14 | 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. | | | |
| 1.15 | 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. | | | |
| Audit Questions to Transparency Report - Section 2. Budget Forecast - | | | | | | | | | |
| 2.1 | Does the transparency report display the MIP40c3-SP52 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-SP52? | <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-SP52 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 MIP40c3-SP52 monthly budget cap? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Yes. | | | |
| 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, the FTE is included in the MKR Vesting overview section of the transparency report. | | | |
| 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"/> | No. The FTE has changed from 6.0 to 5 people working full time and 1 person working 60%. | | | |
| 3.3 | 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. | | | |
| 3.4 | 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. | | | |
| 3.5 | Has DUX changed the MKR amounts comparing it to the last published transparency report? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | No. | | | |
| 3.6 | Has DUX 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 answer to the above question is yes. | | | |

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| | Has the DUX auditor wallet received the vested MKR amount corresponding to the vesting date of June 1st, 2022? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | Yes. DUX auditor wallet has received 355.86 MKR on May 29th, 2022. https://etherscan.io/tx/0xd177ef10b9368dd51f513f5ea973a5b55792010abfe97e3a811c6d4796e5693 | | DUX should add to the transparency report a table with the specification of the MKR transfer amount and the Multi-sig address under transfer sections. | |
| Audit Questions to Transparency Report - Section 4. Transfers - | | | | | | | | | |
| 4.1 | Has the DUX auditor wallet receive funds from the protocol? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | The Auditor Wallet received 333,661.091562372812372812 DAI from the protocol on April 04, 2022. https://gnosis-safe.io/app/eth:0x5A994D8428CCEbCC153863CCdA9D28e6352f89ad/transactions/history | | | |
| 4.2 | 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"/> | Yes, the DUX operational wallet received the top-up amount 86,000 DAI as requested in the April 2022 Budget Statement. https://etherscan.io/tx/0xd9a89c838a953f8b23048bac04affe758242ea2ac9980b903fe41 | | | |
| 4.3 | 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, there is a perfect match, DUX reported the payment of 95,200 DAI. https://etherscan.io/tx/0x385c329dfbb672d47d8d2f59a849b1b9173fbad29242125f121885a9a6fcdc5 | | | |
| 4.4 | Does the DUX operational wallet balance match the transparency report 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 current wallet balance is 212,800.00 DAI on Maj 30, 2022. DUX is requesting a transfer of 91,600 DAI. | | | |
| 4.5 | 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. The Auditor Wallet current balance is 172,082.43156237 DAI and 355 MKR on Maj 30, 2022. | | | |