Audit Report

Core Unit Name: DUX
Audit ID: 2022-06-DUX-001
Audit Cycle: 2022- 06/1
Audit Date: 07-06-2022
CU published BS date: 07-04-2022
Audit Result: Needs CU Action
Facilitator contact: @venture
Core Unit Clarification Received Date:
Transparency Report: https://github.com/makerdao-dux/transparency-reporting/blob/main/Monthy%20Budget%20Statements/2022-06.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

	Legend
🟩	Approved
🟨	Approved with comments
🟧	Needs action before approval
🟥	Locked

#	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 DUX MIP40c3-SP52								
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 wallet with 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-SP52?	☑	☐	☐	☐	Yes.			
0.7	Is the operational wallet Multi-sig wallet setup the same as described in the MIP40c3-SP52?	☐	☑	☐	☐	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:0x388e9e5a889C4cDF3f752C1AFcF88B75BDE673eE eth:0x8967A9ad5097adb8603922A0b34d0633cb2daD6d eth:0xD797d7ea4B440aA933c9DdABeBCF1C879F0a1018 eth:0xda8E5b5DD1475B9BE382a5Dfe2602754Aff9342A eth:0xEd1cC76C86AaE8eA08b1B918aB2eDc4A1465745c			The Budget Implementation diagram in the MIP40c3-SP52 was updated with the new operational wallet eth address eth: 0xEd1cC76C86AaE8eA08b1B918aB2eDc4A1465745c and the removal of eth address eth: 0xf666e928BBDEfD84A9DEE179Ac226be16ec850DA
0.8	Is the DUX operational wallet controlled by more than 1 signer?	☑	☐	☐	☐	Yes, the DUX operational wallet has a current policy of 3 out of 6 signers			
0.9	Is the auditorl wallet Multi-sig wallet setup the same as described in the MIP40c3-SP52?	☑	☐	☐	☐	Yes. The Auditor Wallet requires 2 out of 2 confrimations. Auditor´s wallet eth address: eth: 0x5A994D8428CCEbCC153863CCdA9D2Be6352f89ad Signers: Accountant role wallet eth: 0xA2A855Ac8D2a92e8A5a437690875261535c8320C Auditor role wallet eth: 0xB2da57e224949acDDe173a5b8A8160c023ea86e6			
0.10	Has the DUX auditor wallet receive funds from the protocol?	☑	☐	☐	☐	The Auditor Wallet received 333,661.091562372812372812 DAI from the protocol on April 04, 2022. https://gnosis-safe.io/app/eth:0x5A994D8428CCEbCC153863CCdA9D2Be6352f89ad/transactions/history			
0.11	Has the DUX auditor wallet sufficient funds to top up the Dux operational wallet?	☑	☐	☐	☐	Yes. The Auditor Wallet current balance is 80,482.43156237on July 6th, 2022.			
0.12	Has the DUX operational wallet received a top-up after the audit of the last transparency report?	☑	☐	☐	☐	Yes, the DUX operational wallet received the top-up amount 91,600 DAI as requested in the Maj 2022 Budget Statement. https://etherscan.io/tx/0x0fc8a4c0090a2689cd58804508dffde3850fed6f2967b9f322fdf8			
	Audit Questions to Transparency Report - Section 1. Last Month Actuals -								

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Approved with comments
Needs action before approval
Critical

#	Question	✓	✓	✓	✓	Answer	Comment	Note
1.1	Is the actuals budget category breakdown the same as in the MIP40c3-SP52?	☑	☐	☐	☐	Yes.		
1.2	Is the transparency report actual´s forecast the same as the forecast last published for the same month?	☑	☐	☐	☐	Yes.		
1.3	Are the differences between forecast and actuals explained in the transparency report?	☐	☐	☑	☐	Yes.		The reason(s) should be reviewed to provide an updated explanation.
1.4	Are the DUX actual expenses within the montly MIP40c3-SP52 buget cap?	☑	☐	☐	☐	Yes.		
1.5	Are the DUX actual expenses within the Global/total MIP40c3-SP52 budget cap?	☑	☐	☐	☐	Yes.		
1.6	Has the DUX contributor fees any significant deviations between forecast and actuals?	☑	☐	☐	☐	The forecast is 85,000 DAI and the actual expense is 82,923.34 DAI, this results in a positive difference of 2,076.66 DUX explains in the budget statement that the variation is due to estimate.		
1.7	Has the DUX travel costs any significant deviations between forecast and actuals?	☐	☑	☐	☐	Yes, the forecast is 0 and the actual expense is 85.47 DAI.		The reason is not clear.
1.8	Has the DUX IT Infrastructure and services costs any significant deviations between forecast and actuals?	☐	☑	☐	☐	Yes, the forecast is 5,000 DAI and the actual expense is 5,647.43 DAI, the difference is 647.43 DAI		The reason is not clear.
1.9	Has the DUX gas fees any significant deviations between forecast and actuals?	☑	☐	☐	☐	Yes, the forecast is 0 and the actual expense is 1,800 DAI.	DUX explains that the difference is due to "Purchased ETH for gas fees and dux wallet."	
1.10	Has the DUX Legal Services costs any significant deviations between forecast and actuals?	☑	☐	☐	☐	No.		
1.11	Has the DUX one-time expense any significant deviations between forecast and actuals?	☑	☐	☐	☐	Yes, the forecast is 500 DAI, and the actual expense is 0. DUX did not have one time expenses in June 2022.		
1.12	Has the DUX payment fees any significant deviations between forecast and actuals?	☑	☐	☐	☐	Yes, the forecast is 10,000 DAI, and the actual expense is 4,760 DAI, this results in a difference of 5,240.	DUX explains that the difference is due to "Expected to pay a different amount because of the MKR transfer costs."	
1.13	Has the DUX Contractor Services any significant deviations between forecast and actuals?	☑	☐	☐	☐	No.		
1.14	Has the DUX presented the correct calculation of amounts for the actuals, forecast and difference?	☑	☐	☐	☐	Yes.		
1.15	Has the DUX any budget category that seems inconsistent and needs further investigation?	☑	☐	☐	☐	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?	☑	☐	☐	☐	Yes.		
2.2	Are the montly and quarterly budget caps (both totals and per category) the same as in the MIP40c3-SP52?	☑	☐	☐	☐	Yes.		
2.3	Are the quarterly forecast within the bounds of the MIP40c3-SP52 budget caps?	☑	☐	☐	☐	Yes.		
2.4	Are the montly forecast totals within the MIP40c3-PSP52 montly budget cap?	☑	☐	☐	☐	Yes.		
2.5	Has the DUX presented the correct calculation of amounts for the budget forecast?	☑	☐	☐	☐	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?	☑	☐	☐		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?	☑	☐	☐		No. The FTE has changed from 6.0 to 5 people working full time and 1 person working 60% .		

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Approved
Approved with comments
Needs action before approval
Escalate

3.4	Are the MKR vesting dates the same as in the MIP40c3-SP27?	☑	☐	☐	☐	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?	☑	☐	☐	☐	Yes.			
3.6	Has DUX changed the MKR amounts comparing it to the last published transparency report?	☑	☐	☐	☐	No.			
3.7	Has DUX explained the MKR change in the transparency report?	☐	☐	☐	☐	This control can only be made if the answer to the above question is yes.			
3.8	Other observations	☐	☐	☑	☐			Suggestion to add a column with actuals to the MKR overview table in section 3.	
	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?	☐	☐	☑	☐	No.		DUX should update the balance due to a delay in the latest transfer.	
4.2	Are the payments from the operational wallet the same as in the actuals payments?	☑	☐	☐	☐	Yes, there is a perfect match, DUX reported the payment of 98,000 DAI, this matches the DUX operational wallet outgoing transactions 98,000 DAI. https://etherscan.io/tx/0xe97a4615e3d584a4cad7628940eeb41fa8e3144244546f8c010e4b42c7170635			
4.3	Other observations	☐	☐	☑	☐			Suggestion to change the data in the MKR transfers table, the data should have the total amount transferred from the protocol to the auditor wallet and from the auditor wallet to the operational wallet.	