

Audit Report

Core Unit Name: DUX

Audit ID: 2022-04-DUX-001

Audit Cycle: 2022- 04 / 1

Audit Result: Approved with comments

Audit Date: 05-02-2022

CU published BS date: 05-01-2022

Facilitator contact: @venture

Core Unit Clarification Received Date:

Transparency Report: <https://github.com/makerdao-dux/transparency-reporting/blob/main/Monthly%20Budget%20Statements/2022-04.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
	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: 0xEd1c76C86AaE8eA08b1B918aB2eDc4A1465745c was added February 8th 2022 and eth: 0xf666e9288BDEfD84A9DEE179Ac226be16ec850DA was removed on February 9th 2022. Operational wallet controlled by the current DUX Core Unit team Address: 0x8Cd0ad5C55498Aacb72b6689E1da5A284C69c0C7 Signers eth:0x14341f81df14cA86E1420eC9e6Abd343Fb1c5bfc eth:0x388e9e5a889C4cDF3f752C1AfcF88B758DDE673eE eth:0x8967A9ad5097adb8603922A0b34d0633cb2daD6d eth:0xD797d7ea4B440aA933c9DdABeBcF1C879F0a1018 eth:0xda8E5b5DD147589BE382a5Dfe2602754A9f9342A eth:0xEd1c76C86AaE8eA08b1B918aB2eDc4A1465745c			The Budget Implementation diagram in the MIP40c3-SP52 will be updated with the new operational wallet eth address eth: 0xEd1c76C86AaE8eA08b1B918aB2eDc4A1465745c and the removal of eth address eth: 0xf666e9288BDEfD84A9DEE179Ac226be16ec850DA
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			
0.10	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			
0.11	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 258,082.43156237 on May 2nd, 2022.			
0.12	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 122,530 DAI as requested in the March 2022 Budget Statement. https://etherscan.io/tx/0xeddbb958e9595fc415761ac43787802f01f332dd6fc1b819d930			
	Audit Questions to Transparency Report - Section 1. Last Month Actuals -								

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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 montly MIP40c3-SP52 buget 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 90,000 DAI and the actual expense is 84,214.46 DAI, this results in a difference of 7,785.54. 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?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Yes, the forecast is 500 and the actual expense is 1,500 DAI. The difference is 1,000 DAI due to not correct forecast of event expense in Amsterdam. According to the payments 6,500 left the ops wallet to pay for events, however the actuals for April only registered 1,500 DAI, what is the reason for this?		DUX needs clarify the difference btw. the payments and actuals for this category.	
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 5,000 DAI and the actual expense is 5,160.87 DAI, the difference is 160.87 DAI			
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 did not have one time expenses in April 2022.			
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 4,910 DAI, this results in a difference of 90. DUX explains in the budget statement that the 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"/>	No.			
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 montly 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 montly forecast totals within the MIP40c3-SP52 montly 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.			

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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% .			
3.4	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 last published transparency report?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No.			
3.7	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.			
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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes. The current wallet balance is 222,000 DAI on Maj 2nd, 2022. DUX is requesting a transfer of 86,000 DAI.			
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, there is a perfect match, DUX reported the payment of 105,000 DAI, this matches the DUX operational wallet outgoing transactions (103,500 +6500). https://etherscan.io/tx/0x53b9fa5132fc669127fb4194378626618eab35d1cc27785b4af41e3a65c71a5d			