

Audit Report

Core Unit Name: DUX

Audit ID: 2021-12-DUX002

Audit Cycle: 2021- 12 / 1

Audit Result: Approved with comments, needs CU immediate action to improve the transparency report.

Audit Date: 01-17-2022

Facilitator contact: @venture

Core Unit Clarification Received on Date

Transparency Report: <https://github.com/makerdao-dux/transparency-reporting/blob/main/Monthly%20Budget%20Statements/2021-12.md>

Transparency Submission date: 01-13-2022



#	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-SP26									
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 type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes. However the payment services/fees amount is different from the MIP40c3-SP52. The payment services/fees on the transparency report MIP Budget Forecast/ CAP is 20,000 DAI, however the MIP payment services/fees amount is 19,500. And the Legal services on the transparency report MIP Budget Forecast/ CAP is 16,000, however the MIP legal services amount is set to 16,500 DAI. The Contingency buffer in the transparency report is 61,075, however the MIP budget is 63,075.		DUX should correct the payment services/fees, legal services and buffer amount on the December 2021 transparency report according to the MIP.	
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-SP26?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No, the Professional & Legal Services budget category was replaced with the following two budget categories: Payment Fees and Legal Services. These budget categories are reflected in MIP40c3-SP52.			
0.7	Is the Multi-sig wallet setup the same as described in the MIP40c3-SP26?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes: DUX Operational Wallet quorum (3:6) Controlled by the DUX Core Unit team Address: 0x8Cd0ad5C55498Aac72b6689E1da5A284C69c0C7 Signers eth:0x14341f81dF14cA86E1420c9e6Abd343Fb1c5b1C eth:0x388e9e5a889C4cDF3f752C1AfcF88B75BDE673eE eth:0x8967A9ad5097adb8603922A0b34d0633cb2daD6d eth:0xD797d7ea4B440aA933c9DdABeBCF1C879F0a1018 eth:0xda8E5b5DD1475B98E382a5Dfe2602754Af9342A eth:0xf666e9288BDEF084A9DEE179Ac226be16ec850DA			
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	Has the DUX auditor wallet receive the initial seed funds from the protocol prior transfer to the DUX wallet?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes, the auditor wallets has received 483,575 DAI from the protocol https://etherscan.io/tx/0xe806c38e7c886973c486c9edbdd93c61ee26f759567adbcafe1a99ba6159554d . The MIP40c3-SP26 total budget cap is 483,575 DAI.			
0.10	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"/>	No, the DUX operational wallet has not received the top-up amount 189,300 DAI that was requested in the November transparency report due to Audit delay. https://etherscan.io/address/0xb5eb779ce300024edb3df9b6c007e312584f6f4f#tokenx			
Audit Questions to Section Transparency Report - Section 1. Last Month Actuals -									
1.1	Is the actuals budget category breakdown the same as in the MIP40c3-SP26?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No, the Professional & Legal Services budget category was replaced with the following two budget categories: Payment Fees and Legal Services. These budget categories are reflected in MIP40c3-SP52.			
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"/>				
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"/>	No.			

1.4	Are the DUX actual expenses within the montly MIP40c3-SP26 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-SP26 budget cap?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes.			
1.6	Has the DUX contractor fees any significant deviations between forecast and actuals?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	There is a minor difference of 410.40 DAI			
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"/>	No.			
1.8	Has the DUX IT Infrastructure and services costs any significant deviations between forecast and actuals?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes, the December forecast is 6,000 DAI and the Actual expense is 3,940.42 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 and the actuals is 0.			
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 December forecast is 5,500 DAI and the Actual expense is 4,900 DAI.			
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, the Contractor Services December forecast is 0 and the Actual expense is 0.			
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 Section Transparency Report - Section 2. Budget Forecast -									
2.1	Does the transparency report display the MIP40c3-SP26 caps for both total and budget categories?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes, the transparency report has the display of the quarterly caps.			
2.2	Are the montly and quarterly budget caps (both totals and per category) the same as in the MIP40c3-SP26?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No. The Legal Services in the transparency report is set to 16,000 however the MIP budget is 16,500. The Payment services in the transparency report is set to 20,000, however the MIP budget is 19,500. The Contingency buffer in the transparency report is 61,075, however the MIP budget is 63,075.		DUX should correct the amounts on the MIP Budget Forecast Category in the transparency report according to the budget in the MIP.	
2.3	Are the quarterly forecast within the bounds of the MIP40c3-SP26 budget caps?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes, the total of the budget forecast is below the agreed Budget MIP.			
2.4	Are the montly forecast totals within the MIP40c3-SP26monthly budget cap?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes, the total of the monthly budget forecast is below the agreed MIP40c3-SP26 monthly budget cap.			
Audit Questions to Section 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 5.0.			
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	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"/>	Yes, the total MKR amount is changed from 1,103.61 to 1,080.50 = 23,13735 MKR.			
3.6	Has DUX explained the MKR change in the transparency report?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes, MKR change is explained in the transparency report. The latest change in MKR amounts is due to a change in FTE from 6 to 5.			
Audit Questions to Section Transparency Report - Section 4. Transfers -									
4.1	Does the DUX operational wallet balances 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, there is a perfect match, the transparency reports a payment of 94,000 DAI that matches the wallet trx. of 94,000 DAI. https://etherscan.io/tx/0xe587b7adc0624dae06053f4f25c72a2617b0db8e680a32f560b9			
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.			