

Audit Report

Core Unit Name: SAS

Audit ID: 2022-07-SAS001

Audit Cycle: 2022 - 07 / 1

Audit Result: Needs CU Action

Audit Date: 09-01-2022

Budget Statement Submission Date: 08-18-2022

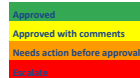
Facilitator contact: @danik

Core Unit Clarification Received on Date:

Transparency Report: <https://github.com/makerdao-sas/transparency-reporting/blob/main/Monthly%20Budget%20Statements/2022-07.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	Green	Yellow	Orange	Red	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: 0x465AA62a82E220B331f5ECa697c20E89554B298 Signers 0x274736890166046f00f424fEB64b2E468841ebfE 0x4f3B7fb6204C614B28F0e1f50Dc1c99175631678 0xD95802afC02B49e5C1a6016D44d08fe37EAfEc9d			
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 80,504 DAI on July 26th, 2022. https://etherscan.io/tx/0xe9750fbd9d422de743eb1c64255f60e4b0d81d069e13ad7174206e5bdfed7			
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 243,313.125142704517704518 DAI recieved on July 26th, 2022. The auditor wallet balance is 175,799.35258423 DAI on August 30th, 2022. https://etherscan.io/address/0xb1f950a51516a697E103aaa69E152d839182f6Fe#tokenxns			
0.13	Has the SAS Auditor wallet sufficient funds to be sent to the SAS operational wallet?	✓	□	□	□	Yes.			
	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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Approved
Approved with comments
Needs action before approval
Disputed

#	Audit Question					Audit Assessment	Core Unit's Clarification	Immediate CU Action to improve transparency report	Medium Term CU Action to improve transparency report
1.4	Are the SAS actual expenses within the monthly MIP40c3-SP43 buget cap?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes.			
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"/>	Yes. The forecast is 2,500, and the actual expense is 2,192.27, this gives is a positive difference of 307.73.	Lower conference expenses than expected.		
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 2,458.01, this gives a negative difference of 47.99.	SAS explains that the difference is due to "deviating RPC cost."		
1.9	Has the SAS gas fees any significant deviations between forecast and actuals?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes. The gas fees forecast is 1,000, and the actual expense is 812.42, this gives a negative difference of 47.99 and it is 958.01 above the monthly approved budget.	SAS explains that the difference is due to "cheaper gas, more testing"		
1.10	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.			
1.12	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"/>	Yes. The forecast is 3,746 and the actual expense is 4,516.47, this gives a positive difference of 483.53	SAS explains in the budget statement that this diff. is due to "More legal hours booked."		
1.13	Has the SAS Engineer Contractor costs any significant deviations between forecast and actuals?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No. There is a perfect match btw forecast and actuals. However, it is 300 above the monthly approved budget.			
1.14	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 other services forecast is 4,947.27 and the actual expense is 3,400. This gives a positive difference of 1,547.27.	The difference is due to "lower payment fees."		
1.15	Has the SAS presented the correct calculation of amounts for the actuals, forecast and difference?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The Difference (Budget - Actual) total in the budget statement is 430.46, the correct amount is 2,355.83.		SAS needs to review and correct the Difference (Budget - Actual) total amount in the Actuals section.	
1.16	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, is above the approved qly budget category cap. The excess needs to be covered by the contingency buffer.			
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.			
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.

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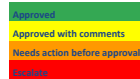
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#	Audit Question	Approved	Approved with comments	Needs action before approval	Dispute	Audit Assessment	Core Unit's Clarification	Immediate CU Action to improve transparency report	Medium Term CU Action to improve transparency report
3.4	Has SAS changed 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.			
3.6	Has the SAS auditor wallet received the vested MKR amount corresponding to the vesting date of June 21st, 2022?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes. SAS auditor wallet has received 243.7953 MKR on May 29th, 2022. https://etherscan.io/tx/0xd177ef10b9368ddf51f513fee973a5b55792010abfe97e3a811cbd4796e5603			
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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes, the current balance in the transparency report is 163,073.64 DAI and the actual balance in the operational wallet is 163,073.6403133 DAI on August 30th, 2022. https://gnosissafe.io/app/eth:0x465AA62a82E220B331f5ECcA697c20E89554B298/balances			
4.2	Are the payments from the operational wallet the same as in the actual section payments?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes. The payment amount is 79,556.67 DAI on August 30th, 2022. https://etherscan.io/address/0x465AA62a82E220B331f5ECcA697c20E89554B298#tokentxns			