

Audit Report

Core Unit Name: SES - Sustainable Ecosystem Scaling Core Unit -
Audit ID: 2022-07-SES001
Audit Cycle: 2023 - 03/ 1
Audit Result: Approved with comments
Audit Date: 2023-05-19
Budget Statement Submission Date: 2023-05-09
Facilitator contact: @Juan
Core Unit Clarification Received on Date:
Transparency Report: <https://github.com/makerdao-ses/transparency-reporting/blob/main/Monthly%20Budget%20Statements/2022-03.md>
MIP40c3-SP87: <https://mips.makerdao.com/mips/details/MIP40c3-SP87>
MIP40c3-SP44: <https://forum.makerdao.com/t/mip40c3-spt7-sustainable-ecosystem-scaling-core-unit-mkr-budget-ses-001/8043>



#	Audit Question	<div><div></div><div></div><div></div><div></div></div>	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 SES MIP40c3-SP87					
0.1	Are the sections in the transparency report in the right order: Actuals, Forecast, Difference and Transfers?	<input checked="" type="checkbox"/>	<input type="checkbox"/>			
0.2	Does the actual section include breakdowns per Budget Category, Forecast, Actuals, Difference and Payments?	<input checked="" type="checkbox"/>	<input type="checkbox"/>			
0.3	Does the budget forecast cover 3 months with summary and budget category breakdown?	<input checked="" type="checkbox"/>	<input type="checkbox"/>			
0.4	Does the budget forecast summary and breakdown contain the quarterly budget caps for comparison?	<input checked="" type="checkbox"/>	<input type="checkbox"/>			
0.5	Does the budget forecast summary contain the Global/total budget cap?	<input checked="" type="checkbox"/>	<input type="checkbox"/>			
0.6	Are the budget forecast categories in the transparency report the same/similar as in the MIP40c3-SP87?	<input checked="" type="checkbox"/>	<input type="checkbox"/>			
0.7	Is the SES Permanent Team Operational Multi-sig wallet setup the same as described in the MIP40c3-SP87?	<input checked="" type="checkbox"/>	Yes. The SES Permanent Team Operational Wallet quorum (2:3) Controlled by the SES Core Unit team Address: eth:0xb5e8779cE300024EDB3df9b6C007E312584f6f4f Signers eth:0xA2A855Ac8D2a92e8A5a43769087261535c8320C eth:0x4714C7fE5D0213615FC6CB88717B524eC433e9a eth:0xFCa6e196c2ad557E64D9397e283C2Af657344b75			
0.8	Is the SES Incubation Program Operational Multi-sig wallet setup the same as described in the MIP40c3-SP87?	<input checked="" type="checkbox"/>	Yes. The SES Incubation Program Operational Wallet quorum (2:3) Controlled by the SES Core Unit team Address: eth:0x7c09f9b59bAAAbf4721cdA3676826aA6d7Bae8 Signers eth:0xA2A855Ac8D2a92e8A5a43769087261535c8320C eth:0x4714C7fE5D0213615FC6CB88717B524eC433e9a eth:0xFCa6e196c2ad557E64D9397e283C2Af657344b75			
0.9	Is the SES Grants Program Operational Multi-sig wallet setup the same as described in the MIP40c3-SP87?	<input checked="" type="checkbox"/>	Yes. The SES Grants Program Operational Wallet quorum (2:3) Controlled by the SES Core Unit team Address: eth:0x9f95e88cC63D6059bA62b0A8A7F843c7D92f4d62 Signers eth:0xA2A855Ac8D2a92e8A5a43769087261535c8320C eth:0x4714C7fE5D0213615FC6CB88717B524eC433e9a eth:0xFCa6e196c2ad557E64D9397e283C2Af657344b75			
0.10	Is the SES Permanent Team Operational wallet controlled by more than 1 signer?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Yes, the SES Operational wallet has a current policy of 2 out of 3 signers		
0.11	Is the SES Incubation Program Operational wallet controlled by more than 1 signer?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Yes, the SES Operational wallet has a current policy of 2 out of 3 signers		
0.12	Is the SES Grants Program Operational wallet controlled by more than 1 signer?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Yes, the SES Operational wallet has a current policy of 2 out of 3 signers		
0.13	Has the SES Permanent Team Operational wallet received a top-up after the audit of the last transparency report?	<input checked="" type="checkbox"/>	<input type="checkbox"/>			
0.14	Has the SES Incubation Program Operational wallet received a top-up after the audit of the last transparency report?	<input checked="" type="checkbox"/>	<input type="checkbox"/>			
0.15	Has the SES Grants Program Operational wallet received a top-up after the audit of the last transparency report?	<input checked="" type="checkbox"/>	<input type="checkbox"/>			

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Approved

Approved with comments

Needs action before approval

Not Approved

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MIP40c3-SP94c: <https://forum.makerdao.com/t/mip40c3-spt17-sustainable-ecosystem-scaling-core-unit-mkr-budget-ses-001/8043>

#	Audit Question				Audit Assessment	Core Unit's Clarification	Immediate CU Action to improve transparency report	Medium Term CU Action to improve transparency report
	Is the SES Auditor Multi-sig wallet setup the same as described in the MIP40c3-SP87?				Yes. SES Auditor Wallet quorum (2/2) eth address: eth:0x87AcDD9208f73bf9207616f0fDE906bcA95cc6 Controlled by Signers: GovAlpha Auditor Role eth:0xdC85cE806d057f4E5425b1e211b78d5af728Df3 SES Accountant Role Wallet eth:0xA2A855Ac8D2a92e8A5a43769087261535c8320C			
0.16	Is the SES Auditor wallet controlled by more than 1 signer?	✓	✓	✓				
0.17	Has the SES Auditor wallet received funds from the protocol?	✓	✓	✓				
0.18	Has SES returned the excess funds from last transparency report to the Surplus buffer?	✓	✓	✓				
0.19	Has the SES Auditor wallet sufficient funds to be sent to the SES Operational wallets?	✓	✓	✓				
0.20		✓	✓	✓				
Audit Questions to Transparency Report - Section 1. Permanent Team Last Month Actuals -								
1.10	Is the Permanent Team actuals budget category breakdown in line with MIP40c3-SP87?	✓	✓	✓	No, but overspend accounted for due to Endgame transition			
1.20	Is the transparency report actual's forecast for the Permanent Team the same as the last published forecast for the same month?	✓	✓	✓	No, but overspend accounted for due to Endgame transition			
1.30	Are the Permanent Team differences between forecast and actuals explained in the transparency report?	✓	✓	✓				
1.40	Are the SES Permanent Team actual expenses within the monthly MIP40c3-SP87 budget cap?	✓	✓	✓	No, but overspend accounted for due to Endgame transition			
1.50	Are the SES Permanent Team actual expenses within the quarterly total MIP40c3-SP87 budget cap?	✓	✓	✓	No, but overspend accounted for due to Endgame transition			
1.60	Has the SES Permanent Team Administration Expenses any significant deviations between forecast and actuals?	✓	✓	✓				
1.70	Has the SES Permanent Team Compensation & Benefits any significant deviations between forecast and actuals?	✓	✓	✓	No, but overspend accounted for due to Endgame transition			
1.80	Has the SES Permanent Team Gas Fees any significant deviations between forecast and actuals?	✓	✓	✓				
1.90	Has the SES Permanent Team Professional Services any significant deviations between forecast and actuals?	✓	✓	✓				
1.10	Has the SES Permanent Team Software Development any significant deviations between forecast and actuals?	✓	✓	✓				
1.11	Has the SES Permanent Team Software Expense any significant deviations between forecast and actuals?	✓	✓	✓				
1.12	Has the SES Permanent Team Travel & Entertainment any significant deviations between forecast and actuals?	✓	✓	✓				
1.13	Has the SES Permanent Team presented the correct calculation of amounts for the actuals, forecast and difference?	✓	✓	✓				
1.14	Has the SES Permanent Team any budget category that seems inconsistent and needs further investigation?	✓	✓	✓				
1.15	Has SES explained the difference between the payments and actuals for the Permanent Team?	✓	✓	✓				
Audit Questions to Transparency Report - Section 1. Incubation Program Last Month Actuals -								
1.16	Is the transparency report actual's forecast for the Incubation Program the same as the last published forecast for the same month?	✓	✓	✓				

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Not done

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1.17	Are the SES Incubation Program differences between forecast and actuals explained in the transparency report?	✓	✓	✓	✓			
1.18	Are the SES Incubation Program's actual expenses within the monthly MIP40c3-SP87 budget cap?	✓	✓	✓	✓			
1.19	Are the SES Incubation Program's actual expenses within the quarterly total MIP40c3-SP87 budget cap?	✓	✓	✓	✓			
1.20	Has the SES Incubation Program presented the correct calculation of amounts for the actuals, forecast and difference?	✓	✓	✓	✓			
1.21	Has the SES Incubation Program any budget category that seems inconsistent and needs further investigation?	✓	✓	✓	✓			
1.22	Has SES explained the incubation program's difference between the payments and actuals?	✓	✓	✓	✓			
Audit Questions to Transparency Report - Section 2. Permanent Team Budget Forecast -								
2.1	Does the transparency report display the MIP40c3-SP87 caps for both total and budget categories?	✓	✓	✓	✓			
2.2	Are the monthly and quarterly budget caps (both totals and per category) the same as in the MIP40c3-SP87?	✓	✓	✓	✓			
2.3	Are the monthly forecast totals within the MIP40c3-SP87 monthly budget cap?	✓	✓	✓	✓			
2.4	Is the quarterly forecast within the bounds of the qly MIP40c3-SP87 budget caps?	✓	✓	✓	✓			
2.5	Has the SES presented the correct calculation of amounts in the Permanent Team budget forecast table?	✓	✓	✓	✓			
Audit Questions to Transparency Report - Section 2. Incubation Program Budget Forecast -								
2.6	Does the transparency report display the Incubation Program's budget cap?	✓	✓	✓	✓			
2.7	Are the monthly and quarterly budget caps the same as in the MIP40c3-SP87?	✓	✓	✓	✓			
2.8	Are the Incubation Program's monthly forecast totals within the MIP40c3-SP87 monthly budget cap?	✓	✓	✓	✓			
2.9	Is the Incubation Program quarterly forecast within the bounds of the qly MIP40c3-SP87 budget caps?	✓	✓	✓	✓			
2.10	Has the SES presented the correct calculation of amounts in the Incubation Program budget forecast table?	✓	✓	✓	✓			
Audit Questions to Transparency Report - Section 2. Grant's Program Budget Forecast -								
2.11	Does the transparency report display the Grant's Program Budget cap?	✓	✓	✓	✓			
2.12	Are the monthly and quarterly budget caps the same as in the MIP40c3-SP87?	✓	✓	✓	✓			
2.13	Are the Grant's Program monthly forecast totals within the MIP40c3-SP87 monthly budget cap?	✓	✓	✓	✓			
2.14	Is the Grant's Program quarterly forecast within the bounds of the qly MIP40c3-SP87 budget caps?	✓	✓	✓	✓			
2.15	Has the SES presented the correct calculation of amounts in the Grant's Program budget forecast table?	✓	✓	✓	✓			
Audit Questions to Transparency Report - Section 3. MKR Vesting Overview -								

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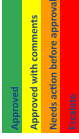
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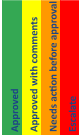
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3.1	Has the SES indicated the number of FTE in the transparency report's MKR vesting overview?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes.			
3.2	Has the MKR vesting overview the same FTE comparing it to the MIP40c3-SP17?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No. The reported FTE is 10.5 and the MIP40c3-SP17 MKR budget is based on 8.90 FTEs.			
3.3	Are the MKR vesting dates the same as in the MIP40c3-SP17?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	No. The reported vesting dates are different from the MIP40c3-SP17 due to new hires, the changes were explained in the November 2021 budget statement.			
3.4	Has SES changed the MKR amounts since the last transparency report?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No			
3.5	Has SES explained the MKR change in the transparency report?	<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 SES Auditor wallet received the vested MKR amount corresponding to the vesting date of June 1st, 2022?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes. SES Auditor wallet has received 541.47 MKR on May 23rd, 2022. The MKR transfer was added to the May 2022 transparency report. https://etherscan.io/tx/0x4891455b162a9d139a07be380f655b820d4c42d8ef651d4506c1763433597			
3.7	Has the Operational wallet received the vested MKR amount corresponding to the vesting date of June 1st, 2022.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes. The SES Permanent Team Operational wallet received 427.07 MKR on May 31st, 2022. https://etherscan.io/tx/0x64c00124446e28bb763122572e9b1cdf6b7c96d4d7733a40bbb3e07c9658a9			
3.8	Other relevant observations?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
Audit Questions to Transparency Report - Section 4. Transfers -								
4.1	Does the SES Operational wallets balance match the transparency report current balances in the calculation made for the new transfer?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
4.2	Are the DAI payments from the Permanent Team Operational wallet the same as in the actuals section payments?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
4.3	Are the DAI payments to the Payroll Payments Processor from the Incubation Program Operational wallet the same as in the actuals section payments?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
4.4	Are the DAI Direct payments from the Incubation Program Operational wallet the same as in the actuals section payments?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
4.5	Are the DAI payments from the Grant's Program Operational wallet the same as in the actuals section payments?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
4.6	Are there any other Payments from the Operational wallets that need further clarification?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

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