



Smart Contract Audit Report

February, 2023


Decentra-List

DEFIMOON PROJECT

Audit and
Development


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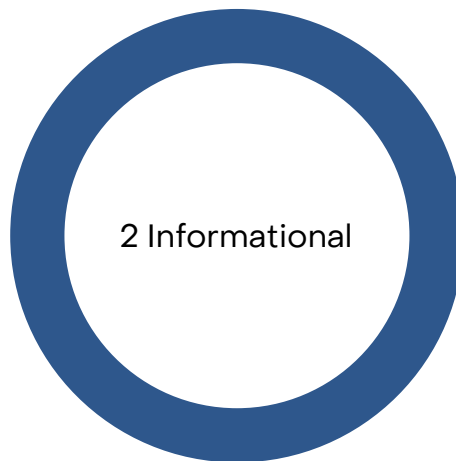


5 February 2023

This audit report was prepared by DefiMoon for Decentra-List

Audit information

Description	Platform for creating and updating on-chain lists of Ethereum addresses
Audited files	DecentralistProxyFactory.sol decentralist.sol
Timeline	1 February 2023 – 5 February 2023
Audited by	Aleksey Zhelyabin
Approved by	Artur Makhnach, Kirill Minyaev
Languages	Solidity
Methods	Architecture Review, Unit Testing, Functional Testing, Manual Review
Source code	Git repo / Commit: 61b6f3d
Chain	Ethereum Mainnet
Status	Passed



2

	High Risk	A fatal vulnerability that can cause the loss of all Tokens / Funds.
	Medium Risk	A vulnerability that can cause the loss of some Tokens / Funds.
	Low Risk	A vulnerability which can cause the loss of protocol functionality.
	Informational	Non-security issues such as functionality, style, and convention.

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Audit Information

Defimoon utilizes both manual and automated auditing approach to cover the most ground possible. We begin with generic static analysis automated tools to quickly assess the overall state of the contract. We then move to a comprehensive manual code analysis, which enables us to find security flaws that automated tools would miss. Finally, we conduct an extensive unit testing to make sure contract behaves as expected under stress conditions.

In our decision making process we rely on finding located via the manual code inspection and testing. If an automated tool raises a possible vulnerability, we always investigate it further manually to make a final verdict. All our tests are run in a special test environment which matches the "real world" situations and we utilize exact copies of the published or provided contracts.

While conducting the audit, the Defimoon security team uses best practices to ensure that the reviewed contracts are thoroughly examined against all angles of attack. This is done by evaluating the codebase and whether it gives rise to significant risks. During the audit, Defimoon assesses the risks and assigns a risk level to each section together with an explanatory comment.

Audit overview

No issues were found

The smart contracts are implemented correctly and no vulnerabilities were found during the assessment.

The contracts use proven and repeatedly audited libraries and contracts, such as OpenZeppelin, UMAprotocol.

No critical issues were found, but there are some recommendations, that can be considered by team to improve readability, security and make the code more clear.

Summary of findings

According to the standard audit evaluation, validated Solidity smart contracts are secure and ready for production.

ID	Description	Severity
<u>DFM-1</u>	Unlocked pragma	Informational
<u>DFM-2</u>	Risk of Reentrancy	Informational

Application security checklist

Compiler errors	Passed
Possible delays in data delivery	Passed
Timestamp dependence	Passed
Integer Overflow and Underflow	Passed
Race Conditions and Reentrancy	Passed
DoS with Revert	Passed
DoS with block gas limit	Passed
Methods execution permissions	Passed
Private user data leaks	Passed
Malicious Events Log	Passed
Scoping and Declarations	Passed
Uninitialized storage pointers	Passed
Arithmetic accuracy	Passed
Design Logic	Passed
Cross-function race conditions	Passed

Detailed Audit Information

Contract Programming

Solidity version not specified	Passed
Solidity version too old	Passed
Integer overflow/underflow	Passed
Function input parameters lack of check	Passed
Function input parameters check bypass	Passed
Function access control lacks management	Passed
Critical operation lacks event log	Passed
Human/contract checks bypass	Passed
Random number generation/use vulnerability	Passed
Fallback function misuse	Passed
Race condition	Passed
Logical vulnerability	Passed
Other programming issues	Passed

Code Specification

Visibility not explicitly declared	Passed
Variable storage location not explicitly declared	Passed
Use keywords/functions to be deprecated	Passed
Other code specification issues	Passed

Gas Optimization

Assert () misuse	Passed
High consumption 'for/while' loop	Passed
High consumption 'storage' storage	Passed
"Out of Gas" Attack	Passed

Findings

DFM-1 «Unlocked pragma»

Severity: Informational

Related issue: SWC-103

Description: Every Solidity file specifies in the header a version number of the format `pragma solidity (^)0.8.*`. The caret (^) before the version number implies an unlocked pragma, meaning that the compiler will use the specified version *and above*, hence the term "unlocked".

Recommendation: For consistency and to prevent unexpected behaviour in the future, we recommend to remove the caret to lock the file onto a specific Solidity version or set a strict range.

DFM-2 «Risk of Reentrancy»

Severity: Informational

Description: [L228] state variable `revisionCounter` is written after external calls. The `proposeRevision()` function might benefit if it uses protection against reentrancy, for example, `ReentrancyGuard` from OpenZeppelin.

Recommendation: Apply `nonReentrant` for the above function.

Adherence to Best Practices

1. All Solidity filenames should match the contract or interface implementations they contain to increase readability. `decentralist.sol` contains `Decentralist`, so the leading "d" should be capitalized.
2. Lack of code linter and/or fixer. It is recommended a linter is used to ensure consistent indentation and syntax structure:
 - `DecentralistProxyFactory.sol`: [L68-L72], [L89-L91]

Automated Analyses

Slither

Slither found 186 issues; most of them are either false-positive or out of scope. We have included the valid ones in the report.

Methodology

Manual Code Review

We prefer to work with a transparent process and make our reviews a collaborative effort. The goal of our security audits is to improve the quality of systems we review and aim for sufficient remediation to help protect users. The following is the methodology we use in our security audit process.

Vulnerability Analysis

Our audit techniques include manual code analysis, user interface interaction, and whitebox penetration testing. We look at the project's web site to get a high-level understanding of what functionality the software under review provides. We then meet with the developers to gain an appreciation of their vision of the software. We install and use the relevant software, exploring the user interactions and roles. While we do this, we brainstorm threat models and attack surfaces. We read design documentation, review other audit results, search for similar projects, examine source code dependencies, review open issue tickets, and investigate details other than the implementation.

Documenting Results

We follow a conservative, transparent process for analyzing potential security vulnerabilities and seeing them through successful remediation. Whenever a potential issue is discovered, we immediately create an Issue entry for it in this document, even though we have not yet verified the feasibility and impact of the issue. This process is conservative because we document our suspicions early even if they are later shown to not represent exploitable vulnerabilities. We follow a process of first documenting the suspicion with unresolved questions, then confirming the issue through code analysis, live experimentation, or automated tests. Code analysis is the most tentative, and we strive to provide test code, log captures, or screenshots demonstrating our confirmation. After this we analyze the feasibility of an attack in a live system to make a final decision.

Suggested Solutions

We search for immediate mitigations that live deployments can take, and finally we suggest the requirements for remediation engineering for future releases. The mitigation and remediation recommendations should be scrutinized by the developers and deployment engineers, and successful mitigation and remediation is an ongoing collaborative process after we deliver our report, and before the details are made public.

Appendix A — Finding Statuses

Resolved	Contracts were modified to permanently resolve the finding
Mitigated	The finding was resolved by other methods such as revoking contract ownership or updating the code to minimize the effect of the finding
Acknowledged	Project team is made aware of the finding
Open	The finding was not addressed