QuillAudits

Audit Report
March, 2024

For

Velar

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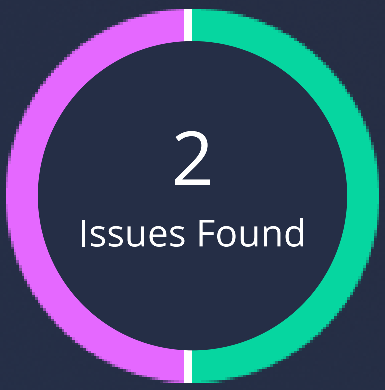
Executive Summary

Project Name	Velar Vesting Wallet Cliff
Overview	The Velar Vesting Wallet Cliff is an Vesting Contract.
Timeline	26th March 2024 - 29th March 2024
Updated Code Received	NA
Second Review	NA
Method	Manual Review, Functional Testing, Automated Testing, etc. All the raised flags were manually reviewed and re-tested to identify any false positives.
Audit Scope	This audit aimed to analyze the Velar Vesting Wallet Cliff Codebase for quality, security, and correctness.
Source Code	*https://github.com/Velar-co/vesting/blob/main/VestingWalletCliff.sol*
Fixed In	NA

Number of Security Issues per Severity



🟥 High	🟨 Medium
🟩 Low	🟪 Informational

	High	Medium	Low	Informational
Open Issues	0	0	0	0
Acknowledged Issues	0	0	1	1
Partially Resolved Issues	0	0	0	0
Resolved Issues	0	0	0	0

Checked Vulnerabilities

- ✓ Re-entrancy
- ✓ Timestamp Dependence
- ✓ Gas Limit and Loops
- ✓ DoS with Block Gas Limit
- ✓ Transaction-Ordering Dependence
- ✓ Use of tx.origin
- ✓ Exception disorder
- ✓ Gasless send
- ✓ Balance equality
- ✓ Byte array
- ✓ Transfer forwards all gas
- ✓ ERC20 API violation
- ✓ Malicious libraries
- ✓ Compiler version not fixed
- ✓ Redundant fallback function
- ✓ Send instead of transfer
- ✓ Style guide violation
- ✓ Unchecked external call
- ✓ Unchecked math
- ✓ Unsafe type inference
- ✓ Implicit visibility level

Techniques and Methods

Throughout the audit of smart contracts, care was taken to ensure:

- The overall quality of code.
- Use of best practices.
- Code documentation and comments match logic and expected behavior.
- Token distribution and calculations are as per the intended behavior mentioned in the whitepaper.
- Implementation of ERC token standards.
- Efficient use of gas.
- Code is safe from re-entrancy and other vulnerabilities.

The following techniques, methods, and tools were used to review all the smart contracts.

Structural Analysis

In this step, we have analyzed the design patterns and structure of smart contracts. A thorough check was done to ensure the smart contract is structured in a way that will not result in future problems.

Static Analysis

A static Analysis of Smart Contracts was done to identify contract vulnerabilities. In this step, a series of automated tools are used to test the security of smart contracts.

Code Review / Manual Analysis

Manual Analysis or review of code was done to identify new vulnerabilities or verify the vulnerabilities found during the static analysis. Contracts were completely manually analyzed, their logic was checked and compared with the one described in the whitepaper. Besides, the results of the automated analysis were manually verified.

Gas Consumption

In this step, we have checked the behavior of smart contracts in production. Checks were done to know how much gas gets consumed and the possibilities of optimization of code to reduce gas consumption.

Tools and Platforms used for Audit

Hardhat, Foundry.

Types of Severity

Every issue in this report has been assigned to a severity level. There are four severity levels, each of which has been explained below.

High Severity Issues

A high severity issue or vulnerability means your smart contract can be exploited. Issues on this level are critical to the smart contract's performance or functionality, and we recommend these issues be fixed before moving to a live environment.

Medium Severity Issues

The issues marked as medium severity usually arise because of errors and deficiencies in the smart contract code. Issues on this level could potentially bring problems, and they should still be fixed.

Low Severity Issues

Low-level severity issues can cause minor impacts and are just warnings that can remain unfixed for now. It would be better to fix these issues at some point in the future.

Informational

These are four severity issues that indicate an improvement request, a general question, a cosmetic or documentation error, or a request for information. There is low-to-no impact.

Types of Issues

Open

Security vulnerabilities identified that must be resolved and are currently unresolved.

Resolved

These issues were identified in the initial audit and successfully fixed.

Acknowledged

Vulnerabilities which have been acknowledged but are yet to be resolved.

Partially Resolved

Considerable efforts have been invested to reduce the risk/impact of the security issue, but are not completely resolved.

Low Severity Issues

1. Vesting Schedule Start Time can be set in Past

Path

VestingWalletCliff.sol

Description

There is no check whether ***startTimestamp*** is greater than ***block.timestamp*** in the **constructor**.

Therefore, it is possible for administrators to accidentally create a vesting schedule that starts in the past without noticing it.

When this happens, the vesting amount can be withdrawn, and the time limit will not be enforced.

Recommendation

Consider adding a require statement that checks if ***startTimestamp*** is greater than ***block.timestamp***.

Status: Acknowledged

Informational Issues

2. Consider using a fixed pragma

Path

VestingWalletCliff.sol

Description

Avoid floating pragmas for non-library contracts.

While floating pragmas make sense for libraries to allow them to be included with multiple different versions of applications, it may be a security risk for application implementations.

A known vulnerable compiler version may accidentally be selected or security tools might fall back to an older compiler version, ending up checking a different EVM compilation that is ultimately deployed on the blockchain.

It is recommended to pin to a concrete compiler version.

Recommendation

Consider using fixed pragma.

Status: Acknowledged

Functional Tests Cases

Some of the tests performed are mentioned below:

- ✓ Should get the duration of the Vesting
- ✓ Should get the end of the Vesting
- ✓ Should get the release of the Vesting
- ✓ Should not release before deadline
- ✓ Should return right vesting schedule

Automated Tests

No major issues were found. Some false positive errors were reported by the tools. All the other issues have been categorized above according to their level of severity.

Closing Summary

In this report, we have considered the security of the Velar codebase. We performed our audit according to the procedure described above.

Some issues of Low and informational severity were found, Some suggestions and best practices are also provided in order to improve the code quality and security posture.

Disclaimer

QuillAudits Smart contract security audit provides services to help identify and mitigate potential security risks in Velar smart contracts. However, it is important to understand that no security audit can guarantee complete protection against all possible security threats. QuillAudits audit reports are based on the information provided to us at the time of the audit, and we cannot guarantee the accuracy or completeness of this information. Additionally, the security landscape is constantly evolving, and new security threats may emerge after the audit has been completed.

Therefore, it is recommended that multiple audits and bug bounty programs be conducted to ensure the ongoing security of Velar smart contracts. One audit is not enough to guarantee complete protection against all possible security threats. It is important to implement proper risk management strategies and stay vigilant in monitoring your smart contracts for potential security risks.

QuillAudits cannot be held liable for any security breaches or losses that may occur subsequent to and despite using our audit services. It is the responsibility of the Velar to implement the recommendations provided in our audit reports and to take appropriate steps to mitigate potential security risks.

About QuillAudits

QuillAudits is a secure smart contracts audit platform designed by QuillHash Technologies. We are a team of dedicated blockchain security experts and smart contract auditors determined to ensure that Smart Contract-based Web3 projects can avail the latest and best security solutions to operate in a trustworthy and risk-free ecosystem.

1000+
Audits Completed

$30B
Secured

1M
Lines of Code Audited

Follow Our Journey

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