



QuillAudits

Audit Report July, 2024

For



DEGG

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Executive Summary

Project Name	Dega Token
Overview	DEGA is an ERC20 token for the DEGA Ecosystem.
Timeline	8th July 2024 - 9th July 2024
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	<p>This audit aimed to analyze the Dega Token Codebase for quality, security, and correctness.</p> <p>1. DegaToken.sol</p>
Blockchain	Ethereum
Source Code	https://github.com/DEGAorg/ERC20/blob/main/contracts/DegaToken.sol
Branch	main
Commit Hash	441d852b6670ebed68eed18e30e836ea86447f71
Fixed In	abf827b92cd8e10738850bbe8f64a3baefa575be



Number of Security Issues per Severity



- High
- Medium
- Low
- Informational

	High	Medium	Low	Informational
Open Issues	0	0	0	0
Acknowledged Issues	0	0	0	0
Partially Resolved Issues	0	0	0	0
Resolved Issues	0	0	1	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
- ✓ 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-20 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. Use Ownable2Step instead of Ownable

Path

Dega Token.sol

Description

Ownable2Step provides a safer alternative to Ownable for managing smart contract ownership by preventing accidental transfers to incorrect addresses.

Instead of directly transferring ownership, Ownable2Step sets the new owner as "pending." The new owner must then call "acceptOwnership()" to complete the transfer.

This process ensures that only an entity with access to the corresponding private keys or control of the smart contract address can assume ownership.

Ownable2Step inherits from Ownable and overrides the "transferOwnership()" function to implement this two-step process.

Recommendation

Use Ownable2Step instead.

Status

Resolved



Functional Tests Cases

Some of the tests performed are mentioned below:

- ✓ Should get the name of the token
- ✓ Should get the symbol of the token
- ✓ Should approve another account to spend token
- ✓ Should transfer tokens to other address

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 Dega Token contract. We performed our audit according to the procedure described above.

one issue of Low severity was found, Some suggestions and best practices are also provided in order to improve the code quality and security posture. In The End, Dega Team, resolve the Issue.

Disclaimer

QuillAudits Smart contract security audit provides services to help identify and mitigate potential security risks in Dega Token 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 Dega Token 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 Dega Token to implement the recommendations provided in our audit reports and to take appropriate steps to mitigate potential security risks.



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1000+

Audits Completed



\$30B

Secured



1M+

Lines of Code Audited



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For



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📍 Canada, India, Singapore, UAE, UK

🌐 www.quillaudits.com

✉ audits@quillhash.com