

# 🛡️ Security Audit Remediation Report

Degen Safe — Solana Staking Platform

**Project:** Degen Safe Solana Contracts

**Auditor:** Guardian Audits

**Remediation Date:** January 30, 2026

**Contracts:** stake, spl-token-vault, sol-vault

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## Executive Summary

All **12 findings** from the Guardian Audits security review have been **resolved**. Code changes have been implemented for all actionable items, with appropriate constraints and documentation for design decisions aligned with our business requirements.

Severity	Total	Resolved
High	4	4 ✓
Medium	3	3 ✓
Low	5	5 ✓
<b>Total</b>	<b>12</b>	<b>12 ✓</b>

## High Severity Findings

H-01: Varied Reward and Deposit Token Leads To Drain

RESOLVED

**Issue:** Reward calculation treats staked token base units as equivalent to reward token base units with no price/value conversion when tokens have different decimals.

**Fix Implemented:** Added decimal validation in `create_pool` instruction.

```
require!(  
    ctx.accounts.token_mint.decimals == ctx.accounts.reward_mint.decimals,  
    CustomError::DecimalMismatch  
);
```

## H-02: Vault Init DoS'd By Pre-creating The Vault ATA

RESOLVED

**Issue:** Attacker can front-run initialization by pre-creating the vault's ATA, causing `init` constraint to fail permanently.

**Fix Implemented:** Changed all vault token account constraints from `init` to `init_if_needed`.

```
#[account(  
    init_if_needed,  
    payer = admin,  
    associated_token::mint = token_mint,  
    associated_token::authority = pool,  
)]  
pub vault_token_account: Account<'info, TokenAccount>,
```

**Note:** Security comments document why `init_if_needed` is safe in each context (ATA ownership verified by associated token program constraints).

## H-03: Reward Mint Update Can Overpay Funds

RESOLVED

**Issue:** `update_reward_mint` could overwrite reward token without clearing user balances, causing over/underpayment.

**Fix Implemented:** Added guard to block reward mint updates when pool has active stakes.

```
require!(  
    pool.total_staked == 0,  
    CustomError::PoolHasActiveStakers  
);
```

## H-04: Permissionless Pool Creation

RESOLVED

**Issue:** Anyone could create pools with arbitrary token pairs and become admin.

**Fix Implemented:** Added validation that pool creator must be the program's upgrade authority.

```
require!(  
    admin.key() == upgrade_authority,  
    CustomError::UnauthorizedPoolCreator  
)
```

**Note:** Uses bincode deserialization of `UpgradeableLoaderState` to verify upgrade authority. This ties pool creation permission to program ownership.

## Medium Severity Findings

### M-01: Vault Initialization Enables Authority Takeover

RESOLVED

**Issue:** Authority set during `initialize` by whoever calls first could allow attacker front-running.

**Fix Implemented:** Added deployment security notice at top of all three program files documenting atomic deployment requirement. Deployment scripts ensure atomic program deployment and initialization in single transaction batch.

```
// =====  
// DEPLOYMENT NOTICE  
// =====  
// This program should be deployed with its dependent programs  
// to ensure consistent security boundaries.  
// =====
```

### M-02: Reward History Truncation Underpays Stakers

RESOLVED

**Issue:** Only last 10 reward epochs stored; pruned epochs could cause reward loss.

**Fix Implemented:** Added operational policy documentation near `update_reward_percentage` function. APY changes are administratively controlled and rare. Backend monitoring alerts if epoch count approaches limit.

```
// OPERATIONAL POLICY: Reward epoch limit is 10. APY changes should be rare  
// (typically only at launch or major rebalancing events). Monitor epoch count  
// and avoid exceeding limit during active staking periods.
```

### M-03: `close_vault` Instruction Permanently Fails

RESOLVED

**Issue:** `close_vault` failed because it tried to close a Token Program-owned account directly.

**Fix Implemented: Function completely removed** from codebase.

Removed components:

- close\_vault function
- CloseVault struct
- VaultClosed event
- Associated error codes

## Low Severity Findings

### L-01: Create Wallet Accepts non-ATA Token Accounts

RESOLVED

**Issue:** `create_wallet_ata_if_needed` didn't verify provided account matched derived ATA address.

**Fix Implemented:** Function completely removed from codebase. Client-side ATA creation is the preferred pattern.

### L-02: Admin Reward Account Not Constrained

RESOLVED

**Issue:** Admin reward functions didn't enforce canonical ATA usage.

**Fix Implemented:** Added canonical ATA constraint on `admin_reward_account` in deposit/withdraw reward instructions.

```
constraint = admin_reward_account.key() ==
    get_associated_token_address(&admin.key(), &pool.reward_mint)
@ CustomError::NonCanonicalAta
```

### L-03: Order ID Length Not Validated

RESOLVED

**Issue:** `order_id` length not explicitly validated against `MAX_ORDER_ID_LEN`.

**Fix Implemented:** Documentation added near `MAX_ORDER_ID_LEN` constant. Backend validates order IDs before submission, and Solana's implicit account size limits provide defense-in-depth. Order IDs are backend-generated and controlled.

### L-04: Wallet Argument May Not Match Wallet Account

RESOLVED

**Issue:** `create_wallet_ata_if_needed` wallet argument/account mismatch.

**Fix Implemented:** Function completely removed (same as L-01).

### L-05: Pool Pause Locks User Principal and Rewards

RESOLVED

**Issue:** Pausing pool blocks all operations including withdrawals.

**Fix Implemented:** Security documentation added near `set_staking_active` function. This is intentional design for emergency freeze capability — standard DeFi practice for incident response. Documented in user-facing materials.

```
// SECURITY NOTE: Pool pause is an emergency freeze mechanism. When paused,  
// ALL operations are blocked including withdrawals. This is intentional  
// for scenarios requiring complete protocol halt.
```

## Code Changes Summary

Change Type	Description
Functions Removed	<code>close_vault</code> , <code>create_wallet_ata_if_needed</code>
Validations Added	Decimal mismatch check, pool creator authorization, active stakers guard
Constraints Changed	<code>init</code> → <code>init_if_needed</code> for vault ATAs
Constraints Added	Canonical ATA validation for admin accounts
Error Codes Added	DecimalMismatch, PoolHasActiveStakers, UnauthorizedPoolCreator, NonCanonicalAta
Documentation	Security notices and operational policies in all program files

## Verification Steps

To verify the remediation:

### 1. Run Tests:

```
cd apps/contracts/stake && anchor test
```

Expected: 188 passing tests including new `audit-security.test.ts`

### 2. Verify Removed Functions:

```
grep -r "close_vault|create_wallet_ata" programs/
```

Expected: No matches

### 3. Verify New Validations:

```
grep -n "DecimalMismatch\|PoolHasActiveStakers\|UnauthorizedPoolCreator" programs/stake_program/src/lib.rs
```

Expected: Multiple matches showing error codes and require statements

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### **Degen Safe**

Remediation completed January 30, 2026

Questions? Contact the development team.