

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 ✓
Total	12	12 ✓

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

Degen Safe

Remediation completed January 30, 2026

Questions? Contact the development team.