

Smart Contract Audit Report

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1 Introduction

This report outlines the findings from the audit of the smart contract titled `FreelanceManagementPlatform`, designed to facilitate secure and transparent freelance project management using blockchain technology. The contract was reviewed for security vulnerabilities, functional correctness, and compliance with best practices.

2 Audit Overview

- Contract Address: `0x5a6af5399e642dd0a77a39b7219449eaba91e6ac`
- Etherscan URL: <https://sepolia.etherscan.io/tx/0xec7d4e3496d5e461c7d10da013c966ce041381d08f7436a78ce168803a8d5ca8>
- Audit Date: 05-12-2024
- Auditor: Shijun JIANG

3 Scope of the Audit

The audit covers:

- **Code review** for security vulnerabilities, including reentrancy, overflows, and access control issues.

- **Logic and functionality** verification to ensure the contract behaves as intended.
- **Compliance with best practices**, focusing on maintainability, readability, and gas efficiency.

4 Methodology

The audit was conducted using the following methods:

- **Manual Code Review:** This is a line-by-line inspection to identify all sorts of problems.
- **Automated Analysis Tools:** Slither and MythX were used for static analysis.
- **Testing of contract interactions:** In-depth unit tests were run using Truffle to ensure the correctness of the smart contract.

5 Findings

5.1 Critical Issues

- **Issue 1: Reentrancy vulnerability**
 - **Description:** The `approveMilestone` function is vulnerable to reentrancy attacks. Freelancer gets an external call (`transfer`) before changing state variables (`projectComplete`) and emitting the `MilestoneApproved` event.
 - **Severity:** Critical
 - **Recommendation:** Apply the *Checks-Effects-Interactions* pattern or use OpenZeppelin's `ReentrancyGuard` modifier to avoid reentrancy attacks.
- **Problem 2: Incorrect Solidity version range**

- **Description:** The Solidity version constraint 0.8.20 includes vulnerable versions such as `VerbatimInvalidDeduplication` and `MissingSideEffectsOnSelectorAccess`.
- **Severity:** Critical
- **Recommendation:** Increase the version constraint to 0.8.26 and use a Solidity version that does not have known issues.

5.2 Issues of Minor Severity

- **Problem 3: Redundant expression**

- **Description:** The expression `disputes` in the contract is flagged as redundant. This could indicate unnecessary statements or unused code.
- **Severity:** Minor
- **Recommendation:** Review and refactor the code to remove unnecessary expressions, ensuring code clarity and reducing potential gas costs.

6 Fixes

6.1 Fixes Related to Critical Issues

- **Issue 1: Reentrancy vulnerability**

- **Severity:** Critical
- **Fix Description:** The `approveMilestone` function was modified to use OpenZeppelin’s `ReentrancyGuard` to prevent reentrancy attacks. Additionally, the *Checks-Effects-Interactions* pattern was applied to ensure that external calls occur after all state changes and event emissions.
- **Implementation:**
 - * Imported `ReentrancyGuard` from OpenZeppelin.
 - * Added the `nonReentrant` modifier to the `approveMilestone` function.

- * Rearranged the function logic to update state variables and emit events before transferring funds.

- **Issue 2: Incorrect Solidity version range**

- **Severity:** Critical
- **Fix Description:** The Solidity version constraint was updated from 0.8.20 to 0.8.26 to avoid vulnerabilities in earlier versions.
- **Implementation:**
 - * Modified the pragma directive to `pragma solidity 0.8.26`.
 - * Verified compatibility with the updated Solidity version.

6.2 Fixes Related to Minor Issues

- **Issue 3: Redundant expression**

- **Severity:** Minor
- **Fix Description:** Removed the `disputes` expression, which was redundant in the contract. All unused or unnecessary references have been reviewed and removed to allow code readability and save gas.
- **Implementation:**
 - * Removed redundant expressions flagged by Slither.
 - * Conducted a full review to ensure all expressions serve a functional purpose.

7 Conclusion

The audit has mentioned various deficiencies that must be fixed in order to make the smart contract secure and functional. These include a critical **reentrancy** vulnerability, the use of a potentially vulnerable Solidity version, and minor inefficiencies in the code. The auditor recommends fixes that include the introduction of **reentrancy guards**, updating the Solidity version, and refactoring redundant

expressions. It is strongly recommended that all the suggested changes be implemented and further testing be done before deploying the contract to the mainnet.

8 Appendix

8.1 Solidity Code Snippets

```
1 // SPDX-License-Identifier: MIT
2 pragma solidity ^0.8.26;
3
4 contract FreelanceManagementPlatform {
5     // Author@SHIJUN JIANG, HKUST, 21134775
6
7     struct Project {
8         address client; // Client who creates the project
9         address freelancer; // Freelancer assigned to the project
10        uint256[] milestones; // Payment amounts for each milestone
11        string[] descriptions; // Descriptions for each milestone
12        bool[] completedMilestones; // Status of each milestone
13        bool projectComplete; // Whether the project is complete
14        uint256 escrowedAmount; // Total funds escrowed for the
15                                ↪ project
16    }
17
18    // Struct representing a dispute
19    struct Dispute {
20        uint256 projectId; // ID of the disputed project
21        uint256 milestoneIndex; // Index of the disputed milestone
22        address[] voters; // Addresses of voters in the dispute
23        mapping(address => bool) hasVoted; // Whether an address
24                                ↪ has voted
25        uint256 votesForCompletion; // Votes for milestone
26                                ↪ completion
27        uint256 votesAgainstCompletion; // Votes against milestone
28                                ↪ completion
29        bool resolved; // Whether the dispute is resolved
```

```

26     }
27
28     // Mappings for storing projects and disputes
29     mapping(uint256 => Project) public projects;
30     mapping(uint256 => Dispute) public disputes;
31     uint256 public projectCount; // Total number of projects
32     uint256 public disputeCount; // Total number of disputes
33
34     // Events to log important actions
35     event ProjectCreated(uint256 projectId, address client, address
        ↪ freelancer);
36     event MilestoneSubmitted(uint256 projectId, uint256
        ↪ milestoneIndex);
37     event MilestoneApproved(uint256 projectId, uint256
        ↪ milestoneIndex);
38     event DisputeCreated(uint256 disputeId, uint256 projectId,
        ↪ uint256 milestoneIndex);
39     event DisputeResolved(uint256 disputeId, bool milestoneApproved
        ↪ );
40
41     // Modifier to restrict access to the client of a project
42     modifier onlyClient(uint256 projectId) {
43         require(msg.sender == projects[projectId].client, "Only
        ↪ client can call this function");
44         _;
45     }
46
47     // Modifier to restrict access to the freelancer of a project
48     modifier onlyFreelancer(uint256 projectId) {
49         require(msg.sender == projects[projectId].freelancer, "Only
        ↪ freelancer can call this function");
50         _;
51     }
52
53     // Constructor to initialize the contract (made payable to
        ↪ support deployment with ETH)
54     constructor() payable {}

```

```

55
56 // Function to deposit funds into the contract
57 function depositToEscrow() public payable {
58     require(msg.value > 0, "Deposit amount must be greater than
        ↳ zero");
59 }
60
61 // Function to create a new project
62 function createProject(
63     address freelancer,
64     uint256[] memory milestones,
65     string[] memory descriptions
66 ) public payable {
67     require(msg.value > 0, "Escrow amount must be provided");
68     require(milestones.length == descriptions.length, "
        ↳ Milestones and descriptions must match");
69
70     projects[projectCount] = Project({
71         client: msg.sender,
72         freelancer: freelancer,
73         milestones: milestones,
74         descriptions: descriptions,
75         completedMilestones: new bool[](milestones.length),
76         projectComplete: false,
77         escrowedAmount: msg.value
78     });
79
80     emit ProjectCreated(projectCount, msg.sender, freelancer);
81     projectCount++;
82 }
83
84 // Function for the freelancer to submit a milestone
85 function submitMilestone(uint256 projectId, uint256
        ↳ milestoneIndex) public onlyFreelancer(projectId) {
86     require(milestoneIndex < projects[projectId].milestones.
        ↳ length, "Invalid milestone index");

```

```

87     require(!projects[projectId].completedMilestones[
88         ↪ milestoneIndex], "Milestone already submitted");
89
90     emit MilestoneSubmitted(projectId, milestoneIndex);
91 }
92
93 // Function for the client to approve a milestone
94 function approveMilestone(uint256 projectId, uint256
95     ↪ milestoneIndex) public onlyClient(projectId) {
96     require(milestoneIndex < projects[projectId].milestones.
97         ↪ length, "Invalid milestone index");
98     require(!projects[projectId].completedMilestones[
99         ↪ milestoneIndex], "Milestone already approved");
100
101     projects[projectId].completedMilestones[milestoneIndex] =
102         ↪ true;
103     uint256 milestonePayment = projects[projectId].milestones[
104         ↪ milestoneIndex];
105     projects[projectId].escrowedAmount -= milestonePayment;
106
107     payable(projects[projectId].freelancer).transfer(
108         ↪ milestonePayment);
109
110     emit MilestoneApproved(projectId, milestoneIndex);
111
112     // Check if all milestones are complete
113     bool allComplete = true;
114     for (uint256 i = 0; i < projects[projectId].milestones.
115         ↪ length; i++) {
116         if (!projects[projectId].completedMilestones[i]) {
117             allComplete = false;
118             break;
119         }
120     }
121     if (allComplete) {
122         projects[projectId].projectComplete = true;
123     }

```



```

116     }
117
118     // Function to create a dispute for a milestone
119     function disputeMilestone(uint256 projectId, uint256
120         ↪ milestoneIndex) public onlyClient(projectId) {
121         require(milestoneIndex < projects[projectId].milestones.
122             ↪ length, "Invalid milestone index");
123
124         disputes[disputeCount].projectId = projectId;
125         disputes[disputeCount].milestoneIndex = milestoneIndex;
126         disputes[disputeCount].votesForCompletion = 0;
127         disputes[disputeCount].votesAgainstCompletion = 0;
128         disputes[disputeCount].resolved = false;
129
130         emit DisputeCreated(disputeCount, projectId, milestoneIndex
131             ↪ );
132         disputeCount++;
133     }
134
135     // Function for community members to vote on a dispute
136     function voteOnDispute(uint256 disputeId, bool
137         ↪ voteForCompletion) public returns (bool) {
138         Dispute storage dispute = disputes[disputeId];
139         require(!dispute.resolved, "Dispute already resolved");
140         require(!dispute.hasVoted[msg.sender], "You have already
141             ↪ voted");
142
143         dispute.voters.push(msg.sender);
144         dispute.hasVoted[msg.sender] = true;
145
146         if (voteForCompletion) {
147             dispute.votesForCompletion++;
148         } else {
149             dispute.votesAgainstCompletion++;
150         }
151
152         // Check if dispute can be resolved

```

```

148         if (dispute.voters.length >= 3) { // Example: Resolve after
149             ↪ 3 votes
150             dispute.resolved = true;
151             bool milestoneApproved = dispute.votesForCompletion >
152                 ↪ dispute.votesAgainstCompletion;
153             emit DisputeResolved(disputeId, milestoneApproved);
154             return milestoneApproved;
155         }
156     }
157
158     // Function to finalize the project
159     function finalizeProject(uint256 projectId) public view
160     ↪ onlyClient(projectId) returns (bool) {
161         require(projects[projectId].projectComplete, "Project is
162             ↪ not complete");
163         return true;
164     }
165
166     // Function to get project details
167     function getProjectDetails(uint256 projectId)
168     public
169     view
170     returns (
171         address freelancer,
172         uint256[] memory milestones,
173         bool[] memory completedMilestones,
174         bool projectComplete
175     )
176     {
177         Project storage project = projects[projectId];
178         return (
179             project.freelancer,
180             project.milestones,
181             project.completedMilestones,
182             project.projectComplete

```

```

181         );
182     }
183 }

```

8.2 Testing Code Snippets

This piece of JavaScript code snippet shows unit testing for the `FreelanceManagementPlatform` smart contract using Truffle: deploying the contract, initializing test accounts, and a test case to validate successful project creation with predefined milestones and descriptions.

```

1  const FreelanceManagementPlatform = artifacts.require("
    ↪ FreelanceManagementPlatform");
2  const { expectRevert } = require("@openzeppelin/test-helpers");
3
4  contract("FreelanceManagementPlatform", (accounts) => {
5      const [client, freelancer, voter1, voter2, voter3] = accounts;
6      const milestonePayments = [web3.utils.toWei("1", "ether"), web3
    ↪ .utils.toWei("2", "ether")];
7      const descriptions = ["Milestone 1", "Milestone 2"];
8
9      let platform;
10
11     beforeEach(async () => {
12         platform = await FreelanceManagementPlatform.new();
13     });
14
15     it("should create a project successfully", async () => {
16         await platform.createProject(freelancer, milestonePayments,
    ↪ descriptions, {
17             from: client,
18             value: web3.utils.toWei("3", "ether"),
19         });
20
21         const projectDetails = await platform.getProjectDetails(0);
22
23         assert.equal(projectDetails.freelancer, freelancer);
24         assert.deepEqual(
25             projectDetails.milestones.map((m) => m.toString()),

```

```

26         milestonePayments.map((m) => m.toString())
27     );
28     assert.equal(projectDetails.projectComplete, false);
29 });
30
31 it("should allow freelancer to submit a milestone", async () =>
32     ↪ {
33         await platform.createProject(freelancer, milestonePayments,
34             ↪ descriptions, {
35                 from: client,
36                 value: web3.utils.toWei("3", "ether"),
37             });
38
39         await platform.submitMilestone(0, 0, { from: freelancer });
40     });
41
42 it("should allow client to approve milestone and release
43     ↪ payment", async () => {
44         await platform.createProject(freelancer, milestonePayments,
45             ↪ descriptions, {
46                 from: client,
47                 value: web3.utils.toWei("3", "ether"),
48             });
49
50         await platform.submitMilestone(0, 0, { from: freelancer });
51
52         const initialBalance = web3.utils.toBN(await web3.eth.
53             ↪ getBalance(freelancer));
54         await platform.approveMilestone(0, 0, { from: client });
55
56         const finalBalance = web3.utils.toBN(await web3.eth.
57             ↪ getBalance(freelancer));
58         const milestonePayment = web3.utils.toBN(milestonePayments
59             ↪ [0]);
60
61         assert(finalBalance.sub(initialBalance).eq(milestonePayment
62             ↪ ), "Freelancer should receive payment");

```

```

55     });
56
57     it("should handle disputes and resolve by voting", async () =>
58         ↪ {
59         await platform.createProject(freelancer, milestonePayments,
60             ↪ descriptions, {
61                 from: client,
62                 value: web3.utils.toWei("3", "ether"),
63             });
64
65         await platform.submitMilestone(0, 0, { from: freelancer });
66         await platform.disputeMilestone(0, 0, { from: client });
67
68         await platform.voteOnDispute(0, true, { from: voter1 });
69         await platform.voteOnDispute(0, false, { from: voter2 });
70         await platform.voteOnDispute(0, true, { from: voter3 });
71
72         const dispute = await platform.disputes(0);
73
74         assert.equal(dispute.resolved, true, "Dispute should be
75             ↪ resolved");
76
77         assert.equal(dispute.votesForCompletion.toString(), "2", "
78             ↪ Votes for completion should be 2");
79
80         assert.equal(dispute.votesAgainstCompletion.toString(),
81             ↪ "1", "Votes against completion should be 1");
82     });
83
84     it("should get project details correctly", async () => {
85         await platform.createProject(freelancer, milestonePayments,
86             ↪ descriptions, {
87                 from: client,
88                 value: web3.utils.toWei("3", "ether"),
89             });
90
91         const projectDetails = await platform.getProjectDetails(0);
92
93         assert.equal(projectDetails.freelancer, freelancer);

```

```

86         assert.deepEqual(
87             projectDetails.milestones.map((m) => m.toString()),
88             milestonePayments.map((m) => m.toString())
89         );
90         assert.deepEqual(
91             projectDetails.completedMilestones.map((m) => m.
92                 ↪ toString()),
93             ["false", "false"]
94         );
95         assert.equal(projectDetails.projectComplete, false);
96     });

```

8.3 Related Test & Deployment Screenshots

```

lanyechan@Sjohns-MacBook-Pro-4 Project % truffle init

Starting init...
=====

> Copying project files to /Users/lanyechan/Desktop/CSCourse/CSIT6000Q/Project

Init successful, sweet!

Try our scaffold commands to get started:
  $ truffle create contract YourContractName # scaffold a contract
  $ truffle create test YourTestName         # scaffold a test

http://trufflesuite.com/docs

```

Figure 1: Truffle Initialization

```

Project -- zsh -- 112x36
lanyechan@Sjohns-MacBook-Pro-4 Project % truffle compile

Compiling your contracts...
=====
> Compiling ./contracts/FreelanceManagementPlatform.sol
> Artifacts written to /Users/lanyechan/Desktop/CSCourse/CSIT6000Q/Project/build/contracts
> Compiled successfully using:
  - solc: 0.8.21+commit.d9974bed.Emscripten.clang

```

Figure 2: Truffle Compilation

```

[notice] A new release of pip is available: 24.0 -> 24.3.1
[notice] To update, run: pip install --upgrade pip
laneychan@Sjohngs-MacBook-Pro-4 Project % slither ./contracts/FreelanceManagementPlatform.sol
'solc --version' running
'solc ./contracts/FreelanceManagementPlatform.sol --combined-json abi,ast,bin,bin-runtime,srcmap,srcmap-runtime,userdoc,devdoc,hashes --allow-paths ./,./Users/laneychan/Desktop/CSCourse/CSIT6000Q/Project/contracts' running
INFO:Detectors:
Version constraint ^0.8.20 contains known severe issues (https://solidity.readthedocs.io/en/latest/bugs.html)
- VerbatimInvalidDeduplication
- FullInlinerNonExpressionSplitArgumentEvaluationOrder
- MissingSideEffectsOnSelectorAccess.
It is used by:
- ^0.8.20 (contracts/FreelanceManagementPlatform.sol#2)
Reference: https://github.com/crytic/slither/wiki/Detector-Documentation#incorrect-versions-of-solidity
INFO:Detectors:
Redundant expression "disputes (contracts/FreelanceManagementPlatform.sol#123)" inFreelanceManagementPlatform (contracts/FreelanceManagementPlatform.sol#4-181)
Reference: https://github.com/crytic/slither/wiki/Detector-Documentation#redundant-statements
INFO:Detectors:
Reentrancy in FreelanceManagementPlatform.approveMilestone(uint256,uint256) (contracts/FreelanceManagementPlatform.sol#89-112):
  External calls:
  - address(projects[projectId].freelancer).transfer(milestonePayment) (contracts/FreelanceManagementPlatform.sol#97)
  State variables written after the call(s):
  - projects[projectId].projectComplete = true (contracts/FreelanceManagementPlatform.sol#110)
  Event emitted after the call(s):
  - MilestoneApproved(projectId,milestoneIndex) (contracts/FreelanceManagementPlatform.sol#99)
Reference: https://github.com/crytic/slither/wiki/Detector-Documentation#reentrancy-vulnerabilities-4
INFO:Slither:./contracts/FreelanceManagementPlatform.sol analyzed (1 contracts with 93 detectors), 3 result(s) found

```

Figure 3: Slither Analysis Report for Contract

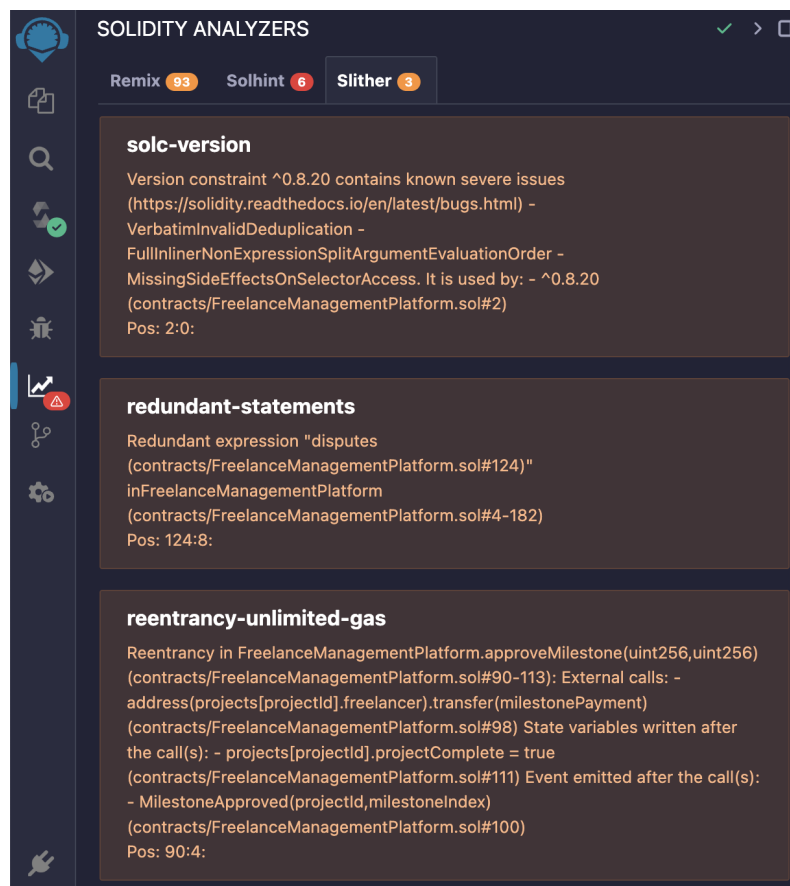


Figure 4: Slither Analysis on Remix

```
Project -- zsh -- 91x24
lanyechan@Sjohnngs-MacBook-Pro-4 Project % truffle test
Using network 'test'.

Compiling your contracts...
=====
> Compiling ./contracts/FreelanceManagementPlatform.sol
> Artifacts written to /var/folders/mg/zr8w3vqd415frt257hlz40y40000gn/T/test--50729-H1LAzTP
p1PYc
> Compiled successfully using:
  - solc: 0.8.26+commit.8a97fa7a.Emscripten.clang

Contract: FreelanceManagementPlatform
  ✓ should create a project successfully (167ms)
  ✓ should allow freelancer to submit a milestone (215ms)
  ✓ should allow client to approve milestone and release payment (261ms)
  ✓ should handle disputes and resolve by voting (301ms)
  ✓ should get project details correctly (137ms)

5 passing (1s)

lanyechan@Sjohnngs-MacBook-Pro-4 Project %
```

Figure 5: Truffle Test Passed

```
contracts -- zsh -- 91x24
johnngs-MacBook-Pro-4 contracts % solc --gas FreelanceManagementPlatform.sol

===== FreelanceManagementPlatform.sol:FreelanceManagementPlatform =====
Gas estimation:
construction:
  2017 + 1912400 = 1914417
external:
  approveMilestone(uint256,uint256):  infinite
  createProject(address,uint256[],string[]):  infinite
  depositToEscrow():  531
  disputeCount():  2491
  disputeMilestone(uint256,uint256):  infinite
  disputes(uint256):  infinite
  finalizeProject(uint256):  5283
  getProjectDetails(uint256):  infinite
  projectCount():  2492
  projects(uint256):  infinite
  submitMilestone(uint256,uint256):  infinite
  voteOnDispute(uint256,bool):  infinite
lanyechan@Sjohnngs-MacBook-Pro-4 contracts % solc --gas FreelanceManagementPlatform.sol
```

Figure 6: Gas Estimation of Contract Using solc

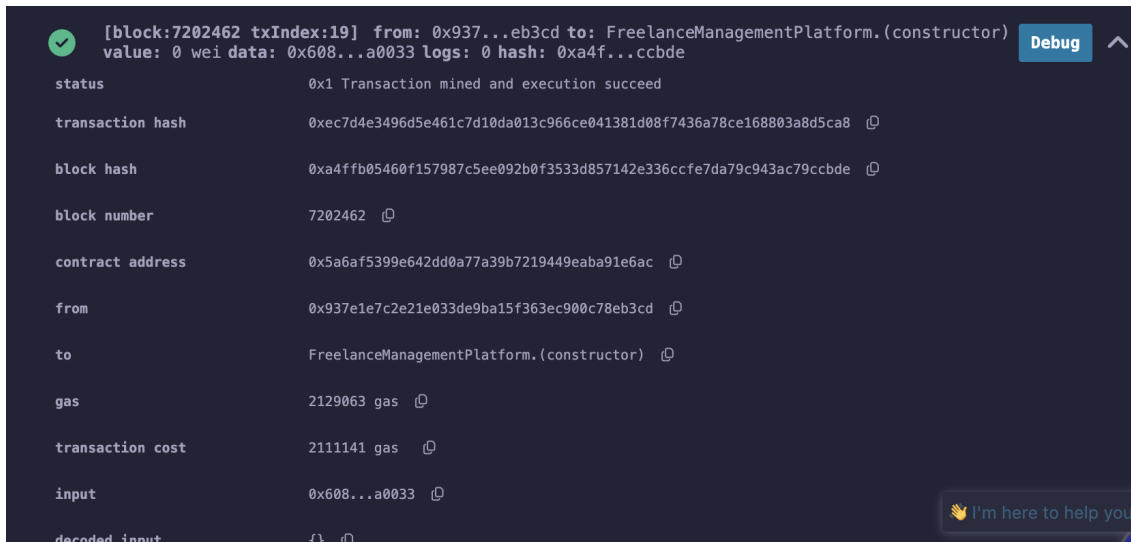


Figure 7: Deployment of Contract on Sepolia Testnet

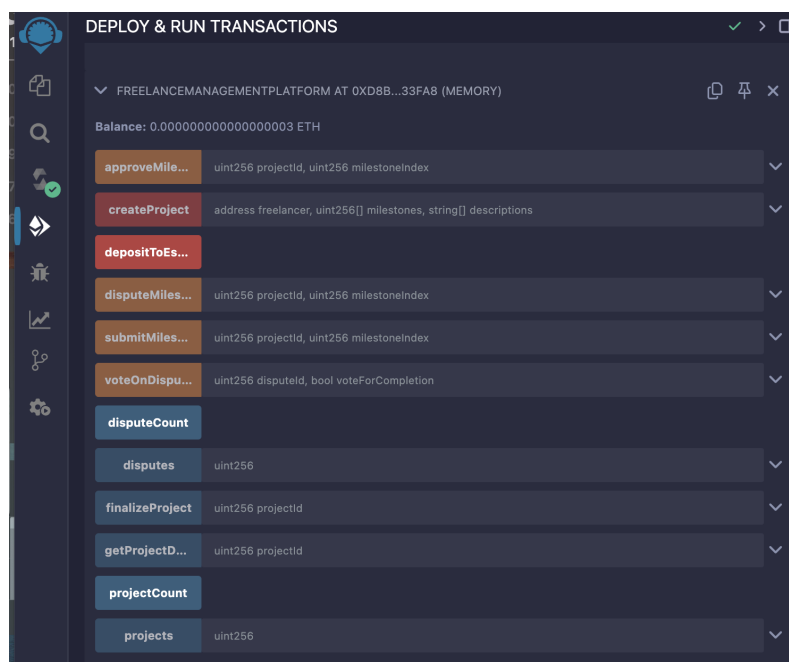


Figure 8: Deployed Freelance Management Platform Contract Functions and State Variables in Remix

Home
Blockchain

Transaction Details

Overview

State

[This is a Sepolia Testnet transaction only]

Transaction Hash:

0xec7d4e3496d5e461c7d10da013c966ce041381d08f7436a78ce168803a8d5ca8

Status:

Success

Block:

7202462 6 Block Confirmations

Timestamp:

1 min ago (Dec-03-2024 11:12:12 AM UTC)

Transaction Action:

Call 0x60806040 Method by 0x937E1e7c...0c78eb3Cd

From:

0x937E1e7c2E21E033dE9bA15f363eC900c78eb3Cd

To:

[0x5a6af5399e642dd0a77a39b7219449eaba91e6ac Created]

Value:

0 ETH

Figure 9: Successful Deployment Transaction on Sepolia Testnet

Contract deployment

×

Status

View on block explorer

Confirmed

Copy transaction ID

From

To

0x937E1...eb...

New contract

Transaction

Nonce

5

Amount

-0 SepoliaETH

Gas Limit (Units)

2129063

Gas Used (Units)

2111141

Base fee (GWEI)

1.997376994

Priority fee (GWEI)

1.5

Total gas fee

0.007383 SepoliaETH

Max fee per gas

0.00000001 SepoliaETH

Total

0.00738346 SepoliaETH

Figure 10: Contract Deployment Transaction Details in Wallet

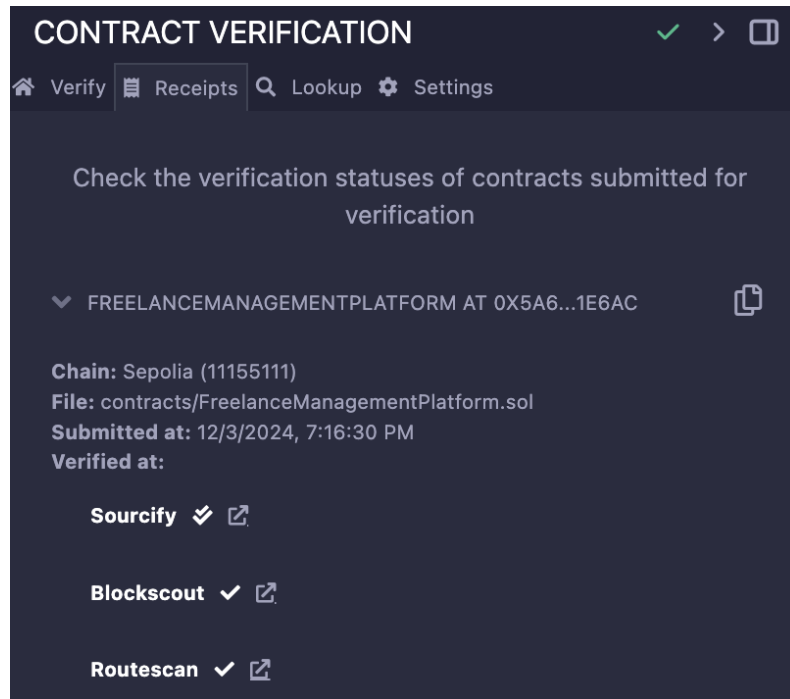


Figure 11: Contract Verification on Sepolia Network

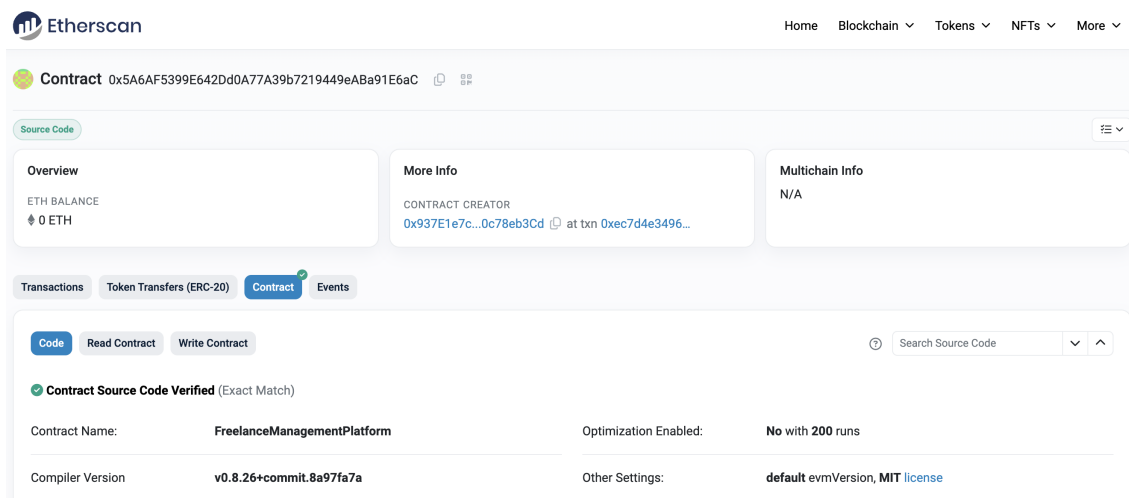


Figure 12: Verified Ethereum Contract
“FreelanceManagementPlatform” on Etherscan

8.4 References

The following references were consulted during the audit process:

- OpenZeppelin Contracts Documentation: <https://docs.openzeppelin.com/contracts/5.x/>
- Slither Static Analysis Tool Documentation: <https://github.com/crytic/slither>
- Solidity Documentation: <https://docs.soliditylang.org/>
- Best Practices for Smart Contract Security: <https://consensys.net/diligence/blog/>
- Test ETH faucet address: <https://www.sepoliafaucet.io/>
- Verified Ethereum contract in Sepolia Etherscan: <https://sepolia.etherscan.io/verifyContract>