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# SMART CONTRACT

## **Security Audit Report**

Project:FLOKI TokenWebsite:floki.comPlatform:EthereumLanguage:SolidityDate:May 19th, 2024

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## Introduction

As part of EtherAuthority's community smart contracts audit initiatives, the Floki Token smart contract from floki.com was audited extensively. The audit has been performed using manual analysis as well as using automated software tools. This report presents all the findings regarding the audit performed on May 19th, 2024.

#### The purpose of this audit was to address the following:

- Ensure that all claimed functions exist and function correctly.
- Identify any security vulnerabilities that may be present in the smart contract.

## **Project Background**

- This Solidity contract is for the FLOKI token, which has various functionalities including governance, tax handling, and treasury operations. Let's break down some of the key components:
  - State Variables: The contract contains several mappings to track balances, allowances, delegates for governance, nonces for vote delegation, and balance checkpoints for voting.
  - Events: Two events are defined (`TaxHandlerChanged` and `TreasuryHandlerChanged`) to emit when the tax handler or treasury handler contracts are changed.
  - Constructor: Initializes the token with a name, symbol, initial tax handler address, and initial treasury handler address. It also assigns the total supply of tokens to the contract creator.
  - ERC20 Implementation: Implements the ERC20 standard functions such as `name`, `symbol`, `decimals`, `totalSupply`, `balanceOf`, `transfer`, `transferFrom`, `approve`, `allowance`, `increaseAllowance`, and `decreaseAllowance`.
  - **Delegation:** Allows token holders to delegate their voting power to other addresses.
  - **Vote Checkpoints:** Utilizes a checkpoint mechanism to track the voting power of token holders at different block numbers.
  - **Tax and Treasury Handling:** The `\_transfer` function handles token transfers by applying taxes and sending the taxed amount to the treasury. It

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calls functions from the tax handler and treasury handler contracts to determine the tax amount and perform treasury operations.

- Owner Functions: Includes functions (`setTaxHandler` and `setTreasuryHandler`) for the owner to set new tax handler and treasury handler contracts.
- Overall, this contract provides a comprehensive framework for managing the FLOKI token, incorporating governance, taxation, and treasury functionalities.

Name	Code Review and Security Analysis Report for FLOKI Token Smart Contract
Platform	Ethereum
Language	Solidity
File	FLOKI.sol
Ethereum Code	0xcf0c122c6b73ff809c693db761e7baebe62b6a2e
Audit Date	May 19th, 2024

## Audit scope

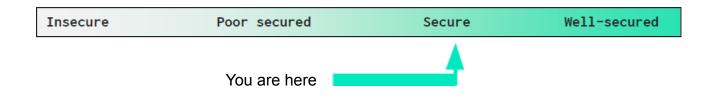
## **Claimed Smart Contract Features**

Claimed Feature Detail	Our Observation
Tokenomics: Name: FLOKI Symbol: FLOKI Decimals: 9 Total Supply:10 Trillion	YES, This is valid.
<ul> <li>Ownership Control:</li> <li>Set new treasury handler contract.</li> <li>Set a new tax handler contract.</li> <li>The current owner can transfer the ownership.</li> <li>The owner can renounce ownership.</li> </ul>	YES, This is valid. We suggest renouncing ownership once the ownership functions are not needed. This is to make the smart contract 100% decentralized.

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## **Audit Summary**

According to the standard audit assessment, the Customer's solidity-based smart contracts are **"Secured"**. Also, these contracts contain owner control, which does not make them fully decentralized.



We used various tools like Slither, Solhint, and Remix IDE. At the same time, this finding is based on a critical analysis of the manual audit.

All issues found during automated analysis were manually reviewed and applicable vulnerabilities are presented in the Audit Overview section. The general overview is presented in the AS-IS section and all identified issues can be found in the Audit overview section.

We found 0 critical, 0 high, 0 medium, 0 low, and 4 very low level issues.

**Investor Advice:** A technical audit of the smart contract does not guarantee the ethical nature of the project. Any owner controlled functions should be executed by the owner with responsibility. All investors/users are advised to do their due diligence before investing in the project.

## **Technical Quick Stats**

Main Category	Subcategory	Result
Contract	The solidity version is not specified	Passed
Programming	The solidity version is too old	Passed
	Integer overflow/underflow	Passed
	Function input parameters lack of check	Passed
	Function input parameters check bypass	Passed
	Function access control lacks management	Passed
	Critical operation lacks event log	Passed
	Human/contract checks bypass	Passed
	Random number generation/use vulnerability	N/A
	Fallback function misuse	Passed
	Race condition	Passed
	Logical vulnerability	Passed
	Features claimed	Passed
	Other programming issues	Moderated
Code	Function visibility not explicitly declared	Passed
Specification	Var. storage location not explicitly declared	Passed
	Use keywords/functions to be deprecated	Passed
	Unused code	Passed
Gas Optimization	"Out of Gas" Issue	Passed
	High consumption 'for/while' loop	Passed
	High consumption 'storage' storage	Passed
	Assert() misuse	Passed
Business Risk	The maximum limit for mintage not set	Passed
	"Short Address" Attack	Passed
	"Double Spend" Attack	Passed

**Overall Audit Result: PASSED** 

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## **Business Risk Analysis**

Category	Result
Buy Tax	0%
Sell Tax	0%
Cannot Buy	No
Cannot Sell	No
🔎 Max Tax	0%
Modify Tax	No
Fee Check	Not Detected
Is Honeypot	Not Detected
Trading Cooldown	Not Detected
Can Pause Trade?	Not Detected
Pause Transfer?	Not Detected
Max Tax?	No
Is it Anti-whale?	Not Detected
Is Anti-bot?	Not Detected
Is it a Blacklist?	No
Blacklist Check	No
Can Mint?	No
Is it a Proxy?	No
Can Take Ownership?	Yes
Hidden Owner?	Not Detected
Self Destruction?	Not Detected
Auditor Confidence	High

#### **Overall Audit Result: PASSED**

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## **Code Quality**

This audit scope has 1 smart contract. Smart contract contains Libraries, Smart contracts, inherits, and Interfaces. This is a compact and well-written smart contract.

The libraries in FLOKI Token are part of its logical algorithm. A library is a different type of smart contract that contains reusable code. Once deployed on the blockchain (only once), it is assigned a specific address and its properties/methods can be reused many times by other contracts in the FLOKI Token.

The EtherAuthority team has no scenario and unit test scripts, which would have helped to determine the integrity of the code in an automated way.

Code parts are well commented on in the smart contracts. Ethereum's NatSpec commenting style is recommended.

## Documentation

We were given a FLOKI Token smart contract code in the form of an Etherscan web link.

As mentioned above, code parts are well commented on. and the logic is straightforward. So it is easy to quickly understand the programming flow as well as complex code logic. Comments are very helpful in understanding the overall architecture of the protocol.

## **Use of Dependencies**

As per our observation, the libraries used in this smart contract infrastructure are based on well-known industry-standard open-source projects.

Apart from libraries, its functions are not used in external smart contract calls.

## **AS-IS** overview

#### Functions

SI.	Functions	Туре	Observation	Conclusion
1	constructor	write	Passed	No Issue
2	name	read	Passed	No Issue
3	symbol	read	Passed	No Issue
4	decimals	external	Passed	No Issue
5	totalSupply	write	Passed	No Issue
6	balanceOf	external	Passed	No Issue
7	transfer	external	Passed	No Issue
8	allowance	external	Passed	No Issue
9	approve	external	Passed	No Issue
10	transferFrom	external	Passed	No Issue
11	increaseAllowance	external	Passed	No Issue
12	decreaseAllowance	external	Passed	No Issue
13	delegate	external	Passed	No Issue
14	delegateBySig	external	Passed	No Issue
15	getVotesAtBlock	read	Passed	No Issue
16	setTaxHandler	external	Missing Zero Address	Refer Audit
			Validation,	Findings
			Centralization	
17	setTreasuryHandler	external	Missing Zero Address	Refer Audit
			Validation,	Findings
			Centralization	
18	delegate	write	Passed	No Issue
19	_moveDelegates	write	Passed	No Issue
20	_writeCheckpoint	write	Passed	No Issue
21	_approve	write	Passed	No Issue
22	transfer	write	Passed	No Issue
23	owner	read	Passed	No Issue
24	onlyOwner	modifier	Passed	No Issue
25	renounceOwnership	write	access only Owner	No Issue
26	transferOwnership	write	access only Owner	No Issue
27	_setOwner	write	Passed	No Issue
28	_msgSender	internal	Passed	No Issue
29	msgData	internal	Passed	No Issue

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## **Severity Definitions**

Risk Level	Description
Critical	Critical vulnerabilities are usually straightforward to exploit and can lead to token loss etc.
High	High-level vulnerabilities are difficult to exploit; however, they also have significant impact on smart contract execution, e.g. public access to crucial
Medium	Medium-level vulnerabilities are important to fix; however, they can't lead to tokens lose
Low	Low-level vulnerabilities are mostly related to outdated, unused etc. code snippets, that can't have significant impact on execution
Lowest / Code Style / Best Practice	Lowest-level vulnerabilities, code style violations and info statements can't affect smart contract execution and can be ignored.

## **Audit Findings**

#### **Critical Severity**

No Critical severity vulnerabilities were found.

#### **High Severity**

No High severity vulnerabilities were found.

#### Medium

No Medium-severity vulnerabilities were found.

#### Low

No Low Severity vulnerabilities were found.

#### Very Low / Informational / Best practices:

(1) Declare variables constant:

```
/// @dev Name of the token.
string private _name;
/// @dev Symbol of the token.
string private _symbol;
```

These variables' values will remain unchanged. so, we suggest making them constant. It is best practice and it also saves some gas. Just add a constant keyword.

Resolution: Please suggest making variables constant.

(2) Unlocked Compiler Version:

These contracts have unlocked compiler versions:-

- Context.sol
- IERC20.sol

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#### • Ownable.sol

The contract has an unlocked compiler version. An unlocked compiler version in the source code of the contract permits the user to compile it at or above a particular version. This, in turn, leads to differences in the generated bytecode between compilations due to differing compiler version numbers. This can lead to an ambiguity when debugging as compiler-specific bugs may occur in the codebase that would be hard to identify over a span of multiple compiler versions rather than a specific one.

**Resolution:** We suggest that the compiler version is instead locked at the lowest version possible that the contract can be compiled at.

#### (3) Missing Zero Address Validation:



Addresses are not validated before assignment or external calls, potentially allowing the use of zero addresses and leading to unexpected behavior or vulnerabilities.

**Resolution:** It is recommended to add a zero-check for the passed-in address value to prevent unexpected errors.

#### (4) Centralization:

The onlyOwner has owner authority of the following functions:

- setTaxHandler(),
- setTreasuryHandler()

**Resolution:** We suggest carefully managing the privileged account's private key to avoid any potential risks of being hacked. In general, we strongly recommend centralized

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privileges or roles in the protocol be improved via a decentralized mechanism or smart-contract-based accounts with enhanced security practices, e.g., multi signature wallets.

## Centralization

This smart contract has some functions which can be executed by the Admin (Owner) only. If the admin wallet's private key would be compromised, then it would create trouble. The following are Admin functions:

#### FLOKI.sol

- setTaxHandler: Update the new tax handler contract address by the owner.
- setTreasuryHandler: Update the new treasury handler contract address by the owner.

#### Ownable.sol

- renounceOwnership: Deleting ownership will leave the contract without an owner, removing any owner-only functionality.
- transferOwnership: Current owner can transfer ownership of the contract to a new account.

To make the smart contract 100% decentralized, we suggest renouncing ownership in the smart contract once its function is completed.

## Conclusion

We were given a contract code in the form of <u>Etherscan</u> web links. And we have used all possible tests based on given objects as files. We observed 4 Informational issues in the smart contracts. but those are not critical. So, **it's good to go for the production**.

Since possible test cases can be unlimited for such smart contracts protocol, we provide no such guarantee of future outcomes. We have used all the latest static tools and manual observations to cover the maximum possible test cases to scan everything.

Smart contracts within the scope were manually reviewed and analyzed with static analysis tools. Smart Contract's high-level description of functionality was presented in the As-is overview section of the report.

The audit report contains all found security vulnerabilities and other issues in the reviewed code.

The security state of the reviewed smart contract, based on standard audit procedure scope, is **"Secured"**.

## **Our Methodology**

We like to work with a transparent process and make our reviews a collaborative effort. The goals of our security audits are to improve the quality of the systems we review and aim for sufficient remediation to help protect users. The following is the methodology we use in our security audit process.

#### Manual Code Review:

In manually reviewing all of the code, we look for any potential issues with code logic, error handling, protocol and header parsing, cryptographic errors, and random number generators. We also watch for areas where more defensive programming could reduce the risk of future mistakes and speed up future audits. Although our primary focus is on the in-scope code, we examine dependency code and behavior when it is relevant to a particular line of investigation.

#### Vulnerability Analysis:

Our audit techniques included manual code analysis, user interface interaction, and white box penetration testing. We look at the project's website to get a high-level understanding of what functionality the software under review provides. We then meet with the developers to gain an appreciation of their vision of the software. We install and use the relevant software, exploring the user interactions and roles. While we do this, we brainstorm threat models and attack surfaces. We read design documentation, review other audit results, search for similar projects, examine source code dependencies, skim open issue tickets, and generally investigate details other than the implementation.

#### **Documenting Results:**

We follow a conservative, transparent process for analyzing potential security vulnerabilities and seeing them through successful remediation. Whenever a potential issue is discovered, we immediately create an Issue entry for it in this document, even though we have not yet verified the feasibility and impact of the issue. This process is conservative because we document our suspicions early even if they are later shown to not represent exploitable vulnerabilities. We generally follow a process of first documenting the suspicion with unresolved questions, and then confirming the issue through code analysis, live experimentation, or automated tests. Code analysis is the most tentative, and we strive to provide test code, log captures, or screenshots demonstrating our confirmation. After this, we analyze the feasibility of an attack in a live system.

#### Suggested Solutions:

We search for immediate mitigations that live deployments can take, and finally, we suggest the requirements for remediation engineering for future releases. The mitigation and remediation recommendations should be scrutinized by the developers and deployment engineers, and successful mitigation and remediation is an ongoing collaborative process after we deliver our report, and before the details are made public.

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## Disclaimers

#### EtherAuthority.io Disclaimer

EtherAuthority team has analyzed this smart contract in accordance with the best industry practices at the date of this report, in relation to: cybersecurity vulnerabilities and issues in smart contract source code, the details of which are disclosed in this report, (Source Code); the Source Code compilation, deployment and functionality (performing the intended functions).

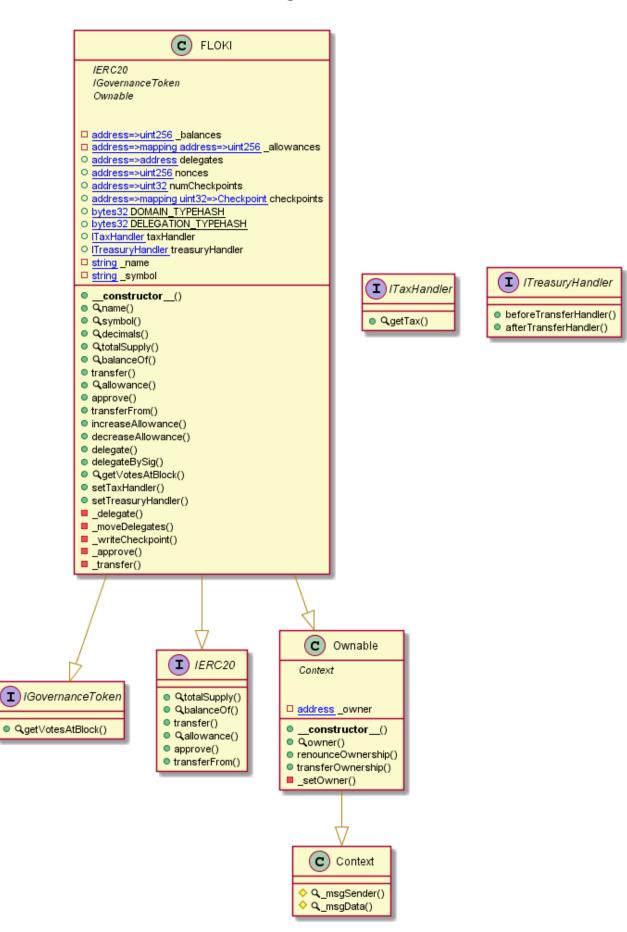
Due to the fact that the total number of test cases is unlimited, the audit makes no statements or warranties on the security of the code. It also cannot be considered as a sufficient assessment regarding the utility and safety of the code, bug-free status, or any other statements of the contract. While we have done our best in conducting the analysis and producing this report, it is important to note that you should not rely on this report only. We also suggest conducting a bug bounty program to confirm the high level of security of this smart contract.

#### **Technical Disclaimer**

Smart contracts are deployed and executed on the blockchain platform. The platform, its programming language, and other software related to the smart contract can have their own vulnerabilities that can lead to hacks. Thus, the audit can't guarantee the explicit security of the audited smart contracts.

## Appendix

#### **Code Flow Diagram - FLOKI Token**

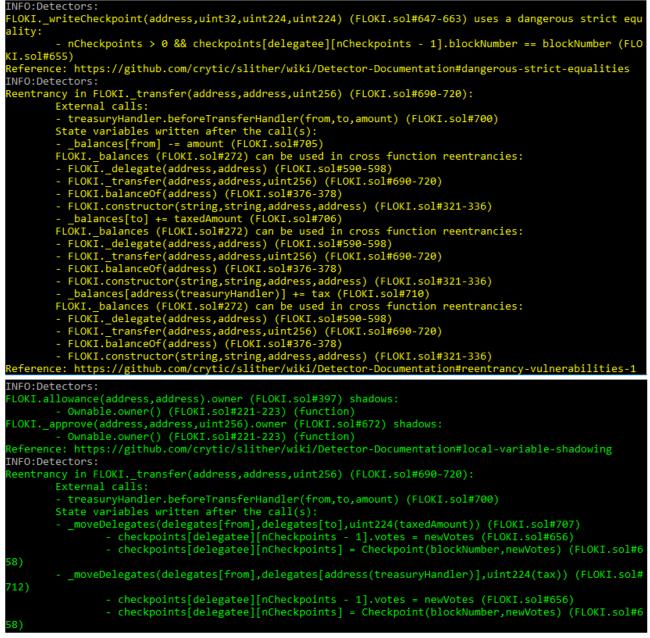


### **Slither Results Log**

Slither is a Solidity static analysis framework that uses vulnerability detectors, displays contract details, and provides an API for writing custom analyses. It helps developers identify vulnerabilities, improve code comprehension, and prototype custom analyses quickly. The analysis includes a report with warnings and errors, allowing developers to quickly prototype and fix issues.

We did the analysis of the project altogether. Below are the results.

#### Slither Log >> FLOKI.sol



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## **Solidity Static Analysis**

Static code analysis is used to identify many common coding problems before a program is released. It involves examining the code manually or using tools to automate the process. Static code analysis tools can automatically scan the code without executing it.

#### FLOKI.sol

#### Check-effects-interaction:

Potential violation of Checks-Effects-Interaction pattern in FLOKI.\_transfer(address,address,uint256): Could potentially lead to re-entrancy vulnerability. Note: Modifiers are currently not considered by this static analysis. <u>more</u>

Pos: 690:4:

#### Block timestamp:

Use of "block.timestamp": "block.timestamp" can be influenced by miners to a certain degree. That means that a miner can "choose" the block.timestamp, to a certain degree, to change the outcome of a transaction in the mined block. <u>more</u> Pos: 509:16:

#### Gas costs:

Gas requirement of function FLOKI.setTreasuryHandler is infinite: If the gas requirement of a function is higher than the block gas limit, it cannot be executed. Please avoid loops in your functions or actions that modify large areas of storage (this includes clearing or copying arrays in storage) Pos: 578:4:

#### **ERC20:**

ERC20 contract's "decimals" function should have "uint8" as return type more Pos: 358:4:

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#### Similar variable names:

FLOKI.getVotesAtBlock(address,uint32) : Variables have very similar names "numCheckpoints" and "nCheckpoints". Note: Modifiers are currently not considered by this static analysis. Pos: 528:8:

#### **Guard conditions:**

Use "assert(x)" if you never ever want x to be false, not in any circumstance (apart from a bug in your code). Use "require(x)" if x can be false, due to e.g. invalid input or a failing external component.

<u>more</u>

Pos: 695:8:

#### Guard conditions:

Use "assert(x)" if you never ever want x to be false, not in any circumstance (apart from a bug in your code). Use "require(x)" if x can be false, due to e.g. invalid input or a failing external component.

<u>more</u>

Pos: 698:8:

#### Data truncated:

Division of integer values yields an integer value again. That means e.g. 10 / 100 = 0 instead of 0.1 since the result is an integer again. This does not hold for division of (only) literal values since those yield rational constants. Pos: 547:41:

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## **Solhint Linter**

Linters are the utility tools that analyze the given source code and report programming errors, bugs, and stylistic errors. For the Solidity language, there are some linter tools available that a developer can use to improve the quality of their Solidity contracts.

#### FLOKI.sol

Compiler version 0.8.11 does not satisfy the ^0.5.8 semver requirement Pos: 1:1
Compiler version ^0.8.0 does not satisfy the ^0.5.8 semver requirement Pos: 1:189
Explicitly mark visibility in function (Set ignoreConstructors to true if using solidity >=0.7.0) Pos: 5:213
Error message for require is too long Pos: 9:248
Compiler version 0.8.11 does not satisfy the ^0.5.8 semver requirement
Pos: 1:262 Explicitly mark visibility in function (Set ignoreConstructors to true if using solidity >=0.7.0)
Pos: 5:320 Error message for require is too long Pos: 9:507
Error message for require is too long Pos: 9:508
Avoid making time-based decisions in your business logic Pos: 17:508
Error message for require is too long Pos: 9:509
Error message for require is too long Pos: 9:522
Error message for require is too long Pos: 9:675
Error message for require is too long Pos: 9:695
Error message for require is too long Pos: 9:696
Error message for require is too long Pos: 9:697

#### Software analysis result:

This software reported many false positive results and some were informational issues. So, those issues can be safely ignored.



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