AuditNet Social Media - Risk, Control and Audit Survey 2011

Surveys have shown that increasing numbers of corporate employees are using social networking sites in the office. Many view this as a good thing as social media is a powerful tool for collaboration, and employees searching for answers to work-related questions often rely on networking tools. But many managers and employees do not recognize the organizational risk exposures posed by these tools.

"Social networks, particularly public ones, have become part of the fabric of how we communicate and collaborate as a society. With value from micro-level personal networking to macro-level outreach, social networking has become pervasive in peoples' lives and is now becoming a significant driving force in business."

As online social media continue to gain mainstream acceptance, traditional face-to-face contact is taking a back seat as the networking method of choice. Facebook, Twitter and LinkedIn are gradually changing the protocol of how businesses and professionals operate.

In the past, for someone to do the bulk of their communication online would have been unusual, whereas now that is the norm. Everyone is e-mailing, blogging, using wikis or all of the above to give their business a boost. It is a paradigm shift that has brought with it new demands on building an internal control environment that specifically addresses the social media process.

This survey covers the auditor's role in identifying social media risks, ensuring that controls are in place and auditing this new communication method.

Conclusion

Based on the 2011 survey responses social media risk, control and audit is not a high priority for the organizations surveyed and has not yet ranked high on the priority of internal auditors. Given the rapid expansion and acceptance of this type of networking and

communication medium there is a great deal of work that must be done to move the bar on addressing risk control and audit of social media. Here are some of the key findings:

- Organizations have been slow to adopt social media policies for their organizations
- Communication to employees as to what constitutes social media acceptable use remains at a mid level
- Training on social media use has not risen to a level commensurate with the use of social media within organizations
- Auditors have not incorporated reviews or audits of social media policy or employee use restrictions for social media.

As the use of social media and social networking is becoming integrated and accepted by organizations auditors must become more diligent in factoring in the risk and control factors. Social media audits must receive a higher priority in audit planning in order to address these new organizational risks.

Details

We received 167 responses for the 2011 Survey on Social Media from auditors across more than 20 industry areas. Almost 50% worked in audit departments with less than 5 staff. More than two thirds of those responding indicated that their organizations recognized the risk associated with social media. In spite of the recognition of the risk almost 60% either had not assessed the impact of social media or they did not know if their organization had made any such analysis. When asked whether their organization had taken steps to raise security awareness regarding the use of social media, more than 60% responded positively. One of the critical control issues in the social media environment is organizational policy. Less than 50% had a social media acceptable use policy. Of those who did have a policy the primary control measures included employee notification, employee discipline and termination.

Approximately 59% indicated that their organization does not have control restrictions on employee communicating work related information on social media.

Does your organization have controls that restrict employees from putting work-related information into social media platforms?
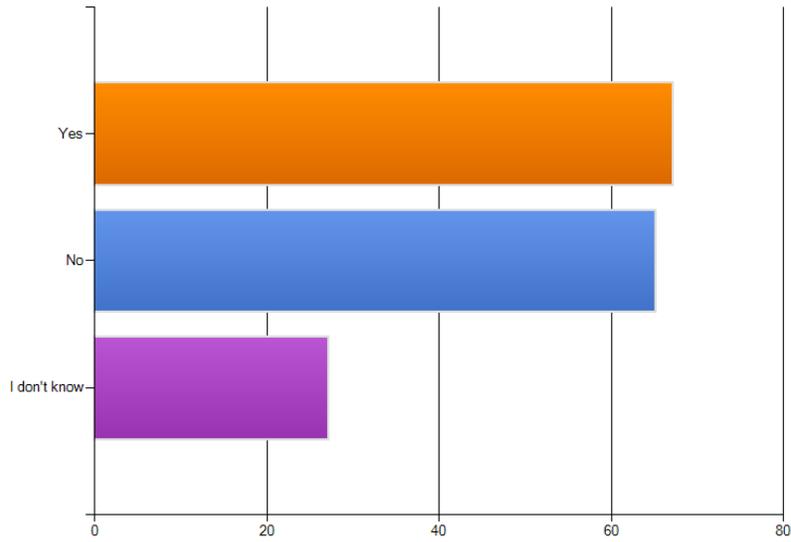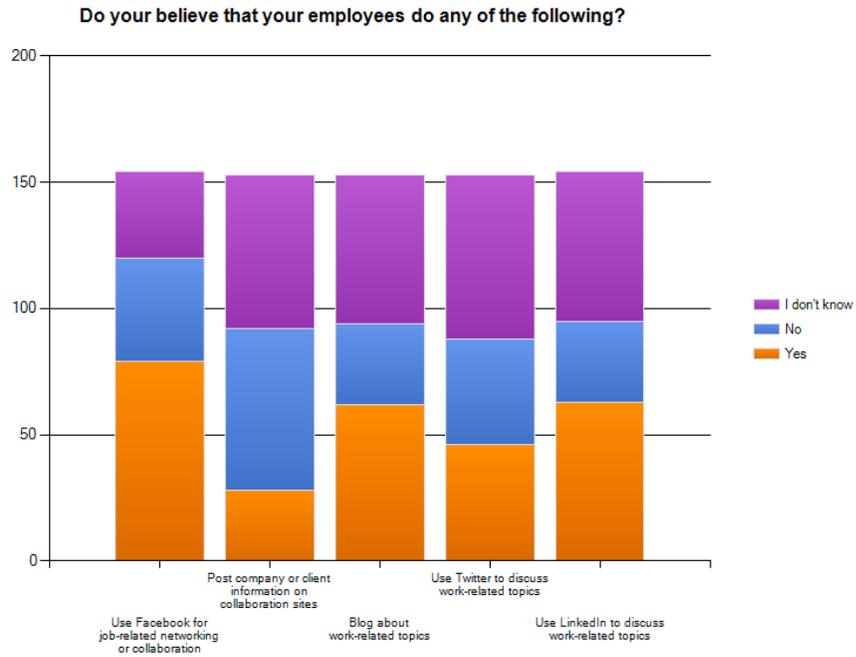

The majority of those responding were not aware of the relevant legislation that restricts employee use of social media.

Are you aware of the following legislation that may restrict your right to control and prohibit social media usage in your organization?
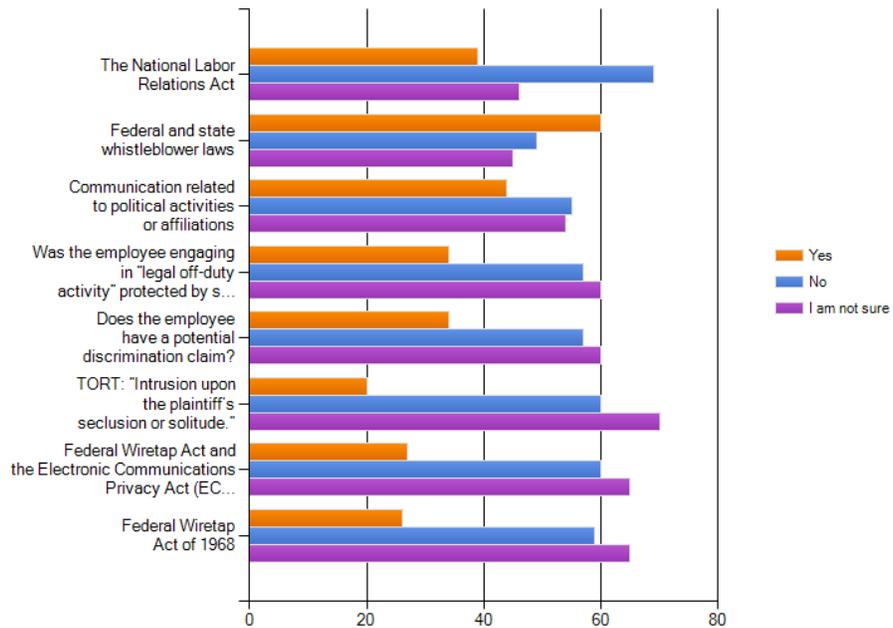
The survey shows that auditors are clearly not aware of employee use of social media or which applications staff use.

Do your believe that your employees do any of the following?

Legend:
- I don't know
- No
- Yes

X-axis categories:
- Use Facebook for job-related networking or collaboration
- Post company or client information on collaboration sites
- Blog about work-related topics
- Use Twitter to discuss work-related topics
- Use LinkedIn to discuss work-related topics

The next chart addresses whether any of the respondents had performed a social media policy audit. The results clearly show that the vast majority of auditors have not reviewed or audited their organizations social media policy.

Has your audit department performed a social media policy audit to evaluate if current policies set standards for "good" social media use by communicating acceptable behaviors to users in simple and direct "do's" and "don'ts"?


- Yes
- No
- I don't know
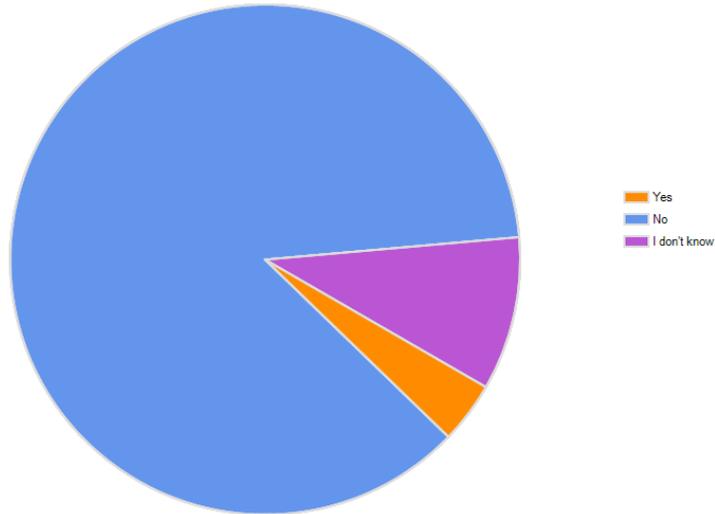
Here we see the results of a question on the risk assessment for users of social media within the organization. We again see that this type of review was not performed for the majority of organizations.

Has your audit department performed a high-risk user assessment to detect potential high-risk users based on frequency with which they access certain sites on company equipment?

- Yes
- No
- I don't know
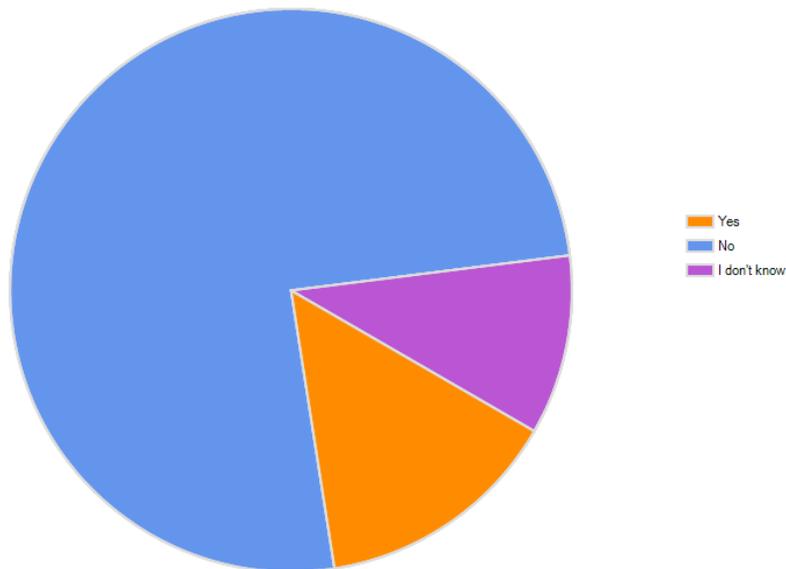
More than two thirds of those surveyed indicated that social media awareness training is not being conducted within their organization.

Does your organization conduct social media awareness training for employees?
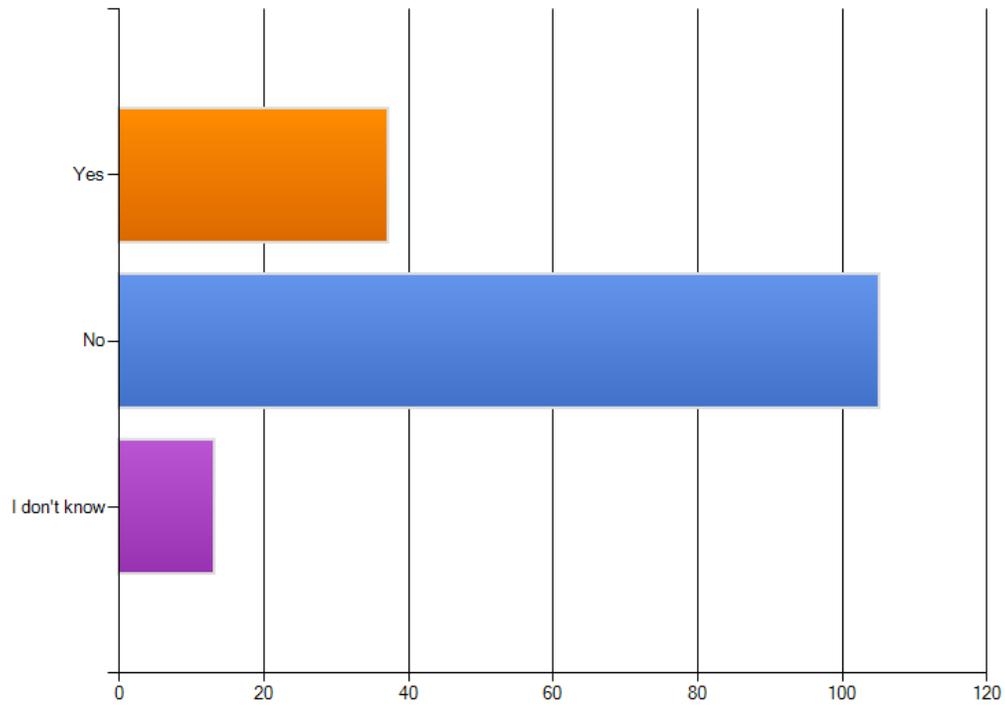
We asked the survey participants to rank the following social media risks and the results were as follows:

1. Reputation damage
2. Information loss
3. Regulatory/legal liability
4. Virus liability
5. Intellectual property theft