

Risks associated with corporate social media communication – Time for internal auditing to step-up

SC Green

Department of Auditing
University of Pretoria

ABSTRACT

Various case studies highlight the negative effect corporate social media communication risks have on organisations. In this study, the risk associated with corporate social media communication in organisations is investigated. The extent of internal auditing's involvement to assist management in evaluating and mitigating the risks that such communication poses is also explored. The study revealed that organisations' brand and reputation is the most important risk. A significant number (33%) of respondents indicated that risk of social media communication were not included in their organization's internal audit universe. The majority indicated that internal auditing did not evaluate or was not trained to evaluate the effectiveness of corporate social media communication controls. The results of this study revealed that there are opportunities for internal auditing to focus its efforts on becoming involved in evaluating risks relating to corporate social media communication.

Key words

Corporate social media communication; risks; internal auditing; mitigation

Acronyms

IIA SA Institute of Internal Auditors South Africa (IIA SA)
IPPF International Standards for the Professional Practice of Internal Auditing

1 INTRODUCTION

Corporate social media communication, including Twitter, Facebook, Instagram, WhatsApp, SMS, emails, Mxit, Skype, BBM and Snapchat, has become a growing trend across the globe. This trend is growing exponentially, according to Baker, Buoni, Fee & Vitale (2011), therefore, there are also an increasing number of risks associated with these trends. This necessitates that organisations ensure that they are aware of and fully understand the risks they face in a corporate social media communication environment.

Based on a 10% share price drop at Domino's Pizza as a result of a reputational risk consequence, Tony Sousa, Chief Executive Officer of Acceleration Media, stated that one does not have control over people discussing ones organisation, brand or products in an online environment (Media News 2012:Online). Organisations' service, financial performance, ethics and products are under constant scrutiny and people make use of various social media communication tools to voice their opinions, whether merited and corroborated or not (Our Social Times 2013:Online). These social media communication tools reach a widespread base of connected customers and can easily result in a minor customer complaint today being a newspaper headline tomorrow.

Internal auditing, as defined by the Institute of Internal Auditors South Africa (IIA SA 2012:Online), is

mandated to assist management in identifying and mitigating risks as the value-adding factor of the internal audit activity (IIA 2012:Online). This implies that internal auditing has two important tasks: firstly, to understand the corporate social media communication environment and secondly, to assist management in identifying and mitigating the relevant risks being faced by the organisation in this regard. This article addresses the various risks associated with corporate social media communication and the negative impact these risks can have on an organisation. This is done through a review of relevant case studies. The importance internal auditing plays in assisting management to mitigate these risks is then further investigated, followed by a discussion of the results of the empirical research. Finally, in the conclusion, possible areas to step-up internal auditing are briefly highlighted to assist management with the mitigation of risks associated with corporate social media communication.

2 RESEARCH PROBLEM, OBJECTIVES AND LIMITATIONS

2.1 Research problem

According to Recalde (2010:2), unmanaged risks associated with the use of corporate social media communication by employees, colleagues or third parties could result in management facing liability claims such as defamation, online criticism, infringement of

privacy or publicity rights, interference with advantageous economic relations, misrepresentation and infringement of intellectual property rights, and false advertisement or unfair competition, to name but a few.

In a 2012 survey of 192 United States executives, corporate social media communication is identified as the fourth largest risk (Deloitte & Forbes Insights 2013:Online). The importance of corporate social media communication risks cannot be over-emphasised.

In addition, research conducted by Mushwana and Bezuidenhout (2014) reveals that only 38% of the respondents in their study had a social media policy in place. The absence of a formal policy is not necessarily an indication that organisations did not employ informal rules and protocols pertaining to the use of social media in the workplace. It is, however, evident that most organisations do not realise the significant impact such a risk might have. In most instances, a crisis is the trigger for putting in place policies on social media, which is often too late because substantial reputational and subsequent financial damage may have already occurred. The potential damage to reputation may be done when employees use social media to express their dissatisfaction with an organisation's views and policies or with specific supervisors or executives. Organisations usually respond to these cases with the strongest possible sanctions.

The literature revealed that the risks associated with the use of social media are not currently prioritised in organisations' audit risk universe. According to Mushwana & Bezuidenhout (2014), only 24% of the companies questioned in its study had dedicated programmes in place to monitor and mitigate these type of risks.

Based on the review of a number of relevant case studies (Gordon 2007:Online; Aula, Laaksonen & Neiglick 2010:Online; Recalde (2010:2); Anderson *et al* 2011:Online; Merrill *et al* 2011; Osborne 2011:Online; Fleming & Miles (2012:7); Media News 2012:Online; Cavico *et al* 2013; Magcaba 2013:Online; McCorkindale & DiStaso (2013:499); Our Social Times 2013:Online; Mushwana & Bezuidenhout 2014; Mybroadband 2014:Online) regarding the negative effects and risks of corporate social media communication, as well as previous research conducted on the absence of formal policies that address these risks in organisations, it appears that there is room for improvement in the services provided by the internal audit activity. What comes to mind is the value internal auditing can add to its organisations by enhancing its role in assisting management to identify these risks and to mitigate them (Singleton 2012:Online; Bogoslaw 2014:Online; Brinkley 2014; Culp 2014:Online; Roath & Holcomb 2014:Online).

The internal audit activity provides assurance to management and the audit committee that risks in the organisation are understood and properly managed. It involves the identification of risks in the organisation and the identification and implementation of risk

mitigation plans (IIA 2012:Online). As mentioned above, the risks associated with poor corporate social media communication can have a significant negative impact on an organisation.

Against the aforementioned background, a study was conducted to investigate the role of internal auditing in providing assistance to management in mitigating the risks associated with corporate social media communication.

2.2 Research objectives

In an attempt to address the research problem and the purpose of the study, the objectives of the research were:

- 1 to determine, through a review of case studies, the various risks, effects and challenges that corporate social media communication poses for organisations; and
- 2 to explore the extent of the involvement (i.e. the role) of internal auditing in assisting organisations' management to evaluate and mitigate the risks that corporate social media communication poses.

This study aims to raise awareness among organisations and chief audit executives on how internal auditing can assist them in mitigating these risks. By helping management to identify and mitigate these risks, internal auditing will, in the long term, add value to any organisation. This value-adding factor of internal auditing is included in its definition as prescribed by the IIA SA. Internal audit activities in organisations will also be able to assess whether internal auditors are involved to a sufficient extent and adequately trained to evaluate the effectiveness of risks associated with corporate social media communication in organisations.

2.3 Research limitations

The research did not focus on any positive or advantageous use of corporate social media communication.

Case studies were selected from the literature review according to their relevance.

3 RESEARCH DESIGN AND METHODOLOGY

The methodology adopted for this article was based on a quantitative approach. Creswell (2003:18) describes the quantitative approach as a process in which the investigator uses post-positivist claims to develop knowledge. Strategies such as experiments and surveys are employed to collect statistical data through predetermined instruments. According to Castellan (2010:Online), quantitative researchers gather data through questionnaires, tests and surveys. The data is analysed by means of a deductive process and statistical procedures.

In further pursuit of reaching the second research objective stated in section 2.2., a high-level literature review was also conducted to obtain a better understanding of the involvement of internal auditing in assisting management in mitigating the risks associated with corporate social media communication.

3.1 Questionnaire

The research was extended to include an empirical study which was conducted by means of a structured self-administered questionnaire. This questionnaire explores the extent of the involvement (i.e. the role) of internal auditing in assisting organisations' management in evaluating and mitigating the risks that corporate social media communication poses. The questionnaire was distributed via the South African chapter of the IIA. The IIA SA newsletter was used to circulate the internet link to the questionnaire requesting potential respondents to complete online. A covering letter containing the objective of the research was also distributed with the questionnaire. The questionnaire covered the following three focal areas and is attached as Annexure A:

- the development of corporate social media communication in organisations;
- the responsibility and monitoring of risks of corporate social media communication; and
- the involvement of internal auditing in assisting management in mitigating these risks.

3.2 Population and sample

The target population is an aggregate of all the elements pertinent to a study, an idealised group representing the totality of target elements that interest a researcher (Smith 1988:77). Applied to the present study, it refers to the database of members of the South African chapter of the IIA SA.

3.3 Reliability and validity

The questionnaire was peer-reviewed by the author's supervisors and various colleagues in the field of internal auditing with reference to its objective, logic, meaningfulness and ambiguity of the questions. Twenty closed-ended questions were posed.

3.4 Data analysis

In this study, an analysis of frequency tables was used to discuss one independent variable at a time, and cross-tabulations were used to describe the relationship between two independent variables (Babbie 2009:436-440).

Thirty respondents submitted completed questionnaires via electronic mail.

The data was scrutinised for accuracy and completeness before the results were captured on Moonstats, which is a statistical analysis software program supplied by Wellman and Kruger (2001). The program allows the researcher to perform an analysis of frequency tables to discuss one independent variable at a time and to use cross-tabulations to describe the relationship between two independent variables.

4 LITERATURE REVIEW

Brogan (2010) and Zarella (2010) defined social media as "media designed to be disseminated through social interaction between individuals and

entities such as organisations." The techniques used to publicise this media must be easily accessible and should be able to reach a substantial number of people. It includes interactive communication, socialising and sharing emails, documents, pictures, videos, audio files, and each can be done in a number of different ways.

According to Hudson and Roberts (2012:769), the terms "social media" and "social networking" are used synonymously, but the former refers to the means by which communications are retransmitted, while the latter refers to the functional tools used for information-sharing. Facebook, LinkedIn, MySpace and Twitter have been identified by Baker *et al* (2011) as the four most popular and commonly used social networking sites. Furthermore, Ployhart (2014) highlighted the use of social media as a growing trend whose power cannot be ignored. To summarise, social networking is the transmitting of messages via a variety of electronic media devices for the purpose of sharing information with society on all levels.

The use of social networking in a corporate environment refers to the activities of both employer and employees within the business. A corporation has, like a private person, a legal entity and can be sued, commit crimes and be punished (Business Dictionary, n.d:Online). This implies that the business can be held responsible for social networking activities linked to the corporation.

4.1 Risks of corporate social media communication

From the literature, and consistent with the first research objective in section 2.2., various risks were identified as inherent in corporate social media communication. A high-level analysis of various case studies (randomly selected) enabled the identification of the following risks (which are discussed below) as well as the negative impact they have on organisations. i.e. reputational, compliance, data information leakage, third party & productivity risk.

Reputational Risk

This risk involves an organisation suffering loss or foregoing possible business opportunities as a result of the relevant shareholders or the public losing faith in the organisation's character, integrity or quality of operations. This loss of faith can be based on an opinion or perception and does not necessarily mean that it is correct or that the organisation is guilty (McCorkindale & DiStaso 2013).

Warren Buffet, a successful and well-known American business magnate, investor and philanthropist, made the following impactful statement: "It takes 20 years to build a reputation and five minutes to ruin it, if you think about that, you'll do things differently" (Berman 2014:Online).

There are several real-life examples in organisations that underline the fact that the reputation of an organisation can be damaged in the blink of an eye as negative posts spread virally throughout the world. Below are examples which highlight the negative effect and consequences of reputational risk:

- Employees at a Domino's Pizza store posted a video on YouTube that showed how they inappropriately and unhealthily prepared pizzas for their clients. This resulted in the organisation's share price dropping by 10% soon after the post (Media News 2012:Online).
- Aula *et al* (2010:Online) discussed a case in which Nestlé's Facebook page was hi-jacked by Greenpeace. They changed the Nestlé Kit Kat Logo to Nestlé "Killer" as a campaign against Nestlé's use of palm oil. Nestlé's subsequent reaction led to more controversy and caused additional brand damage to the organisation.
- Mushwana and Bezuidenhout (2014) refer to the First National Bank case in which the organisation unwittingly caused serious reputational damage and the employee involved exposed himself to further disciplinary action. Their organisation's Twitter account used in an advertising campaign made insensitive remarks on Twitter about their "Steve" character, requiring the company to do serious damage control (Mybroadband 2014:Online). Mushwana and Bezuidenhout (2014) also mentioned a case in which two South African employees of the For Him Magazine posted offensive comments about "corrective rape" on Facebook, leading to their dismissal (Magcaba 2013:Online).
- Our Social Times (2013:Online) reported on the case of Applebee's restaurant, where an employee took a cell phone picture of a negative remark that a customer wrote on a receipt. The picture was posted on the social media webpage Reddit. The employee was subsequently fired for violating customer privacy. What made matters worse was when, in their defence of the aforementioned matter, the restaurant posted another receipt on which a customer wrote, complimenting their service. This defensive approach resulted in over 10 000 mostly negative comments posted by social media communication users.
- In another instance, thirteen Virgin Atlantic employees attempted to discredit the organisation by posting a comment on Facebook stating that the planes were full of cockroaches. They were subsequently fired (Fleming & Miles 2012:7; Cavico *et al* 2013).

It is clear from the above-mentioned case studies that reputational risk poses a great threat to corporate social media communication. To substantiate this, McCorkindale and DiStaso (2013:499) hold that the biggest risks for an organisation, when it comes to the power of social media, lies in that organisation's reputation in terms of its services or products, and in their perceived public image.

Compliance Risk

The risk is created by the violation of the legislative and regulatory framework within which a company operates. This includes laws, regulations, standards and prescribed practices. The result of non-compliance can result in increased reputational risk (Enlightenme n.d.:Online).

Kelsey and Mattossian (2004:Online) define compliance risk as:

[t]he adverse consequences that can arise from systematic unforeseen, or isolated violations of applicable laws and regulations, internal standards and policies and expectations of key stakeholders including customers, employees and the community, which can result in financial losses, reputation damage, regulatory sanctions and in severe cases loss of franchise or rejected mergers and acquisitions.

An organisation should have in place strict internal policies and frameworks of corporate social media communication to ensure that employees are aware of and legally bound to these policies. The lack of such policies and frameworks might cost the organisation in civil claims and reputational damage (Recalde 2010:2). The legislative and regulatory framework forms an integral part of all organisations and companies and forms the backbone of its activities. It is, therefore, essential that policies for the use of social media be drafted, implemented and adhered to.

Data or information leakage risk

This risk realises as a result of unauthorised external sharing of information or data belonging to the organisation (Gordon 2007:Online). The leakage can take the form of manual or electronic transmission and might not necessarily have been done deliberately or with any malicious intent. However, the fact that it was not done deliberately does not condone the data or information leakage. Data or information can be leaked from internal sources in the organisation or external sources, such as hackers (Gordon 2007:Online).

Zurich (2008:Online) states in an article that costs associated with information security breaches increase annually. Expenses arise from customer notification, audit costs, call centre expenses, and credit monitoring and legal fees. The indirect costs arise from a loss of reputation and productivity as well as litigation fees. It is, therefore, imperative for companies to have risk management strategies in place.

According to Gordon (2007:Online), most companies have trade secrets and confidential information. Should this information be public knowledge, the organisation can suffer severe losses. The availability of cell phones with cameras and access to databases and emails makes the circulation of confidential information relatively simple. As a result, an organisation needs to put in place rigid measures to prevent information leaking from the inner workings of the organisation through corporate social media communication. Osborne (2011:Online) discusses a rather ironic case in which Apple's policies on social networking and blogging. The guidelines outlined how its employees should conduct themselves and not leak data. However, data was leaked by an employee who was subsequently dismissed. Osborne (2011:Online) also highlighted how this incident illustrated that policy alone will not deter employees from leaking information.

The use of photos and intellectual property of individuals and organisations on an organisation's social media page might also cost them dearly if the necessary permission is not obtained (Our Social Times 2013:Online). Our Social Times (2013:Online), reported that Donna Karan New York, a New York-based fashion house used a photographer's photographs in a window display without his permission. The photographer noticed that it was his photos and asked the organisation to make a substantial donation to a welfare organisation. The organisation settled for a lower amount but still had to pay a substantial amount for the violation. Such unlawful uses of trademark or copyright on social media can unwittingly lead to civil claims and reputational damage to the organisation (Our Social Times 2013:Online).

For any business to be competitive, most if not all information, including financial statements, is stored electronically. Access to this information, be it authorised or unauthorised, can leave the company open to various risks, the most prevalent of which are fraud, reputational and legal (copyright and trademark) risks (Walter 2006:Online; Zurich 2008:Online).

Third-Party Risks

Jurgens (2013:Online) asserts that third-party risks arise because of the negative relationships to which the organisation is exposed along with their external stakeholders, such as service providers, suppliers and other delivery partners. This risk is increased when affiliated third party marketers do not comply with the applicable laws that govern advertising and marketing activities.

Deloitte (2014:Online) argues that third-party risk has become increasingly important and should be managed on several levels. Third-party risks are ever-increasing as companies outsource many of their functions to third parties, including overseas companies primarily for strategic and financial reasons. However, this practice brings with it risks regarding regulatory issues, reputation and data security.

In the banking sector, a third-party relationship would include out-sourced products and services, the use of independent consultants, networking arrangements, merchant payment processing services, etc. The bank has an on-going relationship with or may have a responsibility towards the associated records (KPMG 2014:Online).

There are various internal and external challenges facing organisations when developing risk strategies and metrics to address the wide variety of third-party relationship risks as identified by Anderson *et al* (2011:Online). Internal challenges include ownership of risk responsibilities, a reactive approach to risk management and traditional metrics that do not include risk. The external challenges include complex, global supply chains, new disclosure expectations that increase exposure to reputational risk and complex invoicing.

An organisation should keep abreast of the power of social media in its governance structures. Aula *et al*

(2010:Online) illustrated this by discussing a case in which the Financial Times refused to publish an advertisement about the "gas flaring practices" of Shell's Organisations. Amnesty International used the advertisement to their advantage by posting it on Facebook and Twitter and obtained 62 000 hits in a month. The Financial Times' refusal to post the advertisement cost them dearly in exposure and sales.

A study conducted by Chain Link Research, quoted by Anderson *et al* (2011:Online) revealed that nearly 50% of the organisations indicated that risk assessment played the most critical role in their service provider selection. However, more than 70% of the surveyed organisations reported having no resilience and risk-mitigation standards to which they hold their service providers. The study also noted that the quality of the risk assessments performed depended on the organisations' capacity and competence to identify these risks.

When an organisation or company outsources functions and services, it is bound to lose some control of not only that specific function or service but also of its reputation because the contracted service provider will be associated with the holding company and will also determine their ability to deliver. Contracts should, therefore, be thorough and specific.

Productivity Risk

This risk that is often overlooked refers to the potential decrease in productivity of employees (Cavico *et al* 2013).

Ferreira and Du Plessis (2009) list addictive behaviour that can be developed leading to lower productivity as one of the several risks associated with the use of social media in the workplace. Aguenza and Puad Mat Som (2012:Online), in their research, came to the conclusion that the use of social media in the workplace results in several risks in employee productivity, namely: possible data leakage and security breaches. However, there are more positive outcomes as social media can be used as an extremely effective internal and external communications medium. The use of social media also promotes openness, diversity and respect. The key to social media in the workplace lies in the strict implementation of policies and strategies to increase the benefits of social media.

For organisations, the practical implication of productivity risk is the possibility of a drop in employees' productivity due to the uncontrolled use of social media devices. Cavico *et al* (2013) make reference to research conducted in 2009, wherein 77% of the employees accessed their Facebook accounts for personal reasons during office hours. They also found that the average employee accessed the internet for personal reasons for between one and two hours a day. Wilson (2009:Online) reports that the amount of time their employees spend on social websites during working hours is a concern to management and executives. According to Greenwald (2009:Online), 55% of the employees visit a social networking site at least once per week. This phenomenon is difficult to control because employees do not necessarily use the organisation's equipment to access social media,

but their private devices. It may be viable to allow employees to access their social media networks during their predetermined breaks. A strict but fair policy should be agreed upon by both management and employees (Merrill *et al* 2011).

From the literature discussed above as well as the case studies analysed, it was possible to draft the following table (Table 1), summarising the risks that can most commonly be found in the corporate social media communication environment:

Table 1: Summary of risks most commonly found relating to corporate social media communication

Case study	Risk identified
Domino's Pizza	Reputational risk
BP / Greenpeace / Nestlé	Reputational risk
First National Bank	Reputational and legal claim
Applebee's restaurant	Reputational risk
Virgin Atlantic	Reputational risk
For Him Magazine (South Africa)	Reputational risk
Apple	Data or information leakage risk
DKNY (Donna Karan New York)	Data or information leakage risk and reputational risk
Shell	Third-party risk

4.2 Key challenges facing organisations in corporate social media communication and possible solutions

Organisations face various corporate social media communication challenges. The key challenges facing organisations is the lack and implementation of policies and the manner and timing of the responses when a crises arises.

The results of the survey conducted by Deloitte LLP revealed that organisations do not take social media networking seriously with regard to policy development, implementation and adherence.

It was further highlighted by Mushwana and Bezuidenhout (2014) that although organisations recognise social media to be a risk, there was still an absence of a social media policy in 65% of the organisations who participated in the study.

4.2.1 Policies

From the literature, the key challenge identified facing organisations in corporate social media communication has to do with developing adequate policies, implementing them and adhering to them. These policies should clearly define when and by whom these social media tools may be used in the working environment. Even more important would be what information would contravene the organisational policy and the consequences of this contravention. Brinkley (2014) suggests that corporate social media communication policies should include and provide for oversight, monitoring, strategy, role definition, users, communication and training.

The organisation's official use of social media as a marketing tool or mode of communication to stakeholders should also be addressed in the organisation's social media policies. An organisation's reluctance to invest and keep abreast of technology and the use of social media may have a detrimental effect on their competitiveness (Aula *et al* 2010: Online). Employees who operate these systems and compile the information to be sent into the virtual world should similarly be well-informed of internal policy and legal pitfalls.

A survey conducted by Mushwana and Bezuidenhout (2014) on social media policy in South Africa further highlights the country's position with regard to such policies. Certain key findings revealed that:

- 48% of the respondents indicated that they do not have a social media policy, while 17% responded that they are not sure.
- Of the 35% that confirmed they do have a social media policy, only 60% responded that the policy was explained to employees to broaden their understanding of and commitment to its implementation.

The development of policies to control the risks resulting from the use of social media in the workplace is non-negotiable and should, like all other policies, be properly communicated and monitored.

4.2.2 Responses

There is no prescribed method of how organisations must respond to corporate social media communication crises. Our Social Times (2013:Online) outlines the following lessons organisations learned from their experience with Corporate Social Media Communication crises:

- Defending or justifying one's actions via the use of a corporate social media communication tool is not ideal.
- One's personal and organisation twitter accounts should be separated.
- One should respond quickly by way of an apology.
- Password security to prevent hacking is important.
- Employees should be educated about corporate social media communication policies.

Merrill *et al* (2011) further suggest five basic steps that management can implement to address corporate social media communication risks:

- conducting high-level assessments of the general social media activities in the organisation, looking for possible risks;

- identifying the relevant stakeholders or process owners who will be responsible for developing, executing and monitoring the organisation's social media strategy;
- developing a simplistic but detailed social media policy to be used as a guideline;
- work-shopping and addressing the risks of corporate social media communication with all employees of the organisation; and
- incorporating a social media agreement as part of the employee contract, this needs to be signed annually.

The implementation of social media policy should not be postponed until a crisis linked to the use of social media arises. Organisations and companies should learn from others' mistakes and implement clear and detailed policies.

4.3 Internal audit to advise management in risk identification and mitigation

The Committee of Sponsoring Organisations of the Treadway Commission (COSO) Framework (2013: Online) paved the way for internal auditing to expand its role to include risk management assurance in an organisation. This would imply that internal auditing should be involved in a consulting capacity in the design of internal controls. Due to the independent nature of the internal audit activity, this involvement would be limited to advice and feedback to management (Bogoslaw 2014: Online).

Internal auditing's role is governed by the International Standards for the Professional Practice (IPPF) of internal auditing. The IPPF Standard 2120 – Risk Management, states: "The internal audit activity must evaluate the effectiveness and contribute to the improvement of risk management processes" (IIA 2012:Online). Further interpretation of this standard implies that internal auditing should assist management in identifying the risks and appropriate responses to mitigate those risks (IIA 2012:Online). The IIA further proposes that internal auditing be involved in enterprise-wide risk management by making available to management tools and techniques used by internal auditing to analyse risks and controls (IIA 2012: Online).

McCarthy and Krishna (2011:Online) are of the opinion that audit committees should ensure the involvement of internal auditing in corporate social media communication risks by focussing on issues such as whether management understands these risks, monitoring them and implementing policy to address them.

The many risks associated with the use of corporate social media communication in an organisation are frequently underestimated and misunderstood. It seems that management does not always take these risks seriously. Culp (2014:Online) refers to a recent survey, which investigated corporate social media risks and rewards. It revealed that 71% of executives surveyed believe that social media risks can be mitigated or avoided and a shocking 13% believed that their organisation did not have any considerable risks.

Brinkley (2014) quotes research conducted by Grant Thornton LLP in 2013, which reveals that social media governance is frequently neglected and even ignored. The study revealed that 59% of senior-level public and private organisations responded that their organisations did not conduct social media risk assessments (Brinkley 2014:68-69).

The task faced by internal auditing in educating management on the importance of mitigating risks associated with corporate social media communication, therefore, seems to be important. A study conducted by KPMG (2012:Online) revealed the importance of internal auditing in providing assurance when corporate social media communication is at risk.

In addition, Deloitte (2014:Online) suggests that internal auditing should assist management in the following key risk areas by:

- being involved in identifying potential crisis events that can lead to reputational risk and assisting management in developing and testing a contingency plan;
- benchmarking the organisation's existing policies and procedures against good practice and new legislative requirements by performing a gap assessment of the organisation's current policy framework;
- implementing data classification controls to prevent harmful information being shared;
- testing the controls in place to determine whether third-party service providers follow protocol at all times; and
- assessing the governance programme to ensure that it is competitive and ensures that communication of the policy is effective.

It is not only the employees' use of social media that causes potential risks, but also the way the organisation itself uses it to market themselves. The realisation of this risk generally results in reputational damage, legal liability and loss of production. It is thus evident that these risks need to be controlled since all will ultimately lead to financial loss of some kind, which might infringe on shareholder confidence (Deloitte 2014:Online).

Moreover, Culp (2014:Online) proposes that an organisation should approach the risks associated with corporate social media communication by addressing issues of governance, processes and systems. This could be a helpful tool for internal auditing when classifying risks. Hence, in the present study, the three areas of governance, processes and systems will be discussed, taking various literature reviews into account in order to serve as a guideline for internal auditing.

Governance

Management should ensure that structures and policies for the use of corporate social media communication in the organisation are comprehensive to encompass all corporate social media communication risks. Internal auditing should be part of these processes from the

onset. Bogoslaw (2014:Online) confirms that internal auditing is increasingly being asked to provide input while business strategies are initially being developed. Brinkley (2014) also suggests that corporate social media communication policies should include and provide for oversight, monitoring, strategy, role definition, users, communication and training.

Processes

Culp (2014:Online) suggests that organisations should, in consultation with internal auditing, develop and implement proactive risk-management processes that focus on the identification, reporting and monitoring of corporate social media communication risks.

Singleton (2012:Online) further proposes an auditing framework for corporate social media communication audits with two primary focus areas, namely: public image and operational effectiveness. The following points need to be considered when conducting audits:

- Information is sent into the social media cyberspace within seconds of an event taking place. In order to address the immediate risks to reputation/public image and productivity, internal auditing should ensure that measures are designed by management to control the rapid dissemination of information regarding the organisation.
- Preventative controls must be implemented to serve as an early warning system for potentially damaging information.
- Operational effectiveness of corporate social media communication risks should be audited the same way as any other information technology (IT) or systems audits.

Systems

Culp (2014:Online) suggests that management should invest in the resources and capabilities necessary to enable them to monitor risk associated with corporate social media communication. The following technology should be available:

- data mining software to enable management and auditors to access all corporate social media communication platforms;
- text analytic engines to recognise patterns in text;
- secure data storage technology; and
- dashboard monitoring to recognise vulnerabilities and risk.

Roath and Holcomb (2014:Online) focus on the internal controls in the IT environment. They emphasise the importance of the fact that the organisation should

continually evaluate the adequacy of their IT and data security controls. Internal auditing could play a significant role in an organisation’s understanding, monitoring and mitigation of IT related risks. A valid concern would be that the internal auditing might not have the necessary skills and competencies to do an in-depth assessment of risk in the IT environment. A low-level audit might provide management with a false sense of security. This apparent performance gap should be addressed by audit executives by identifying or recruiting talented and competent internal auditors. Brinkley (2014) agrees that the diverse communication tools used in the corporate environment involves a shift in the standard of internal auditing’s approach to risks pertaining to reputation and compliance.

5 RESULTS AND DISCUSSION OF THE EMPIRICAL RESEARCH

In this section the results of the empirical research conducted through the distribution of questionnaires is presented. For questions one to four, only a short summary is provided because these questions provide the demographics of the population (refer to Annexure A).

The demographic data collected yielded the following:

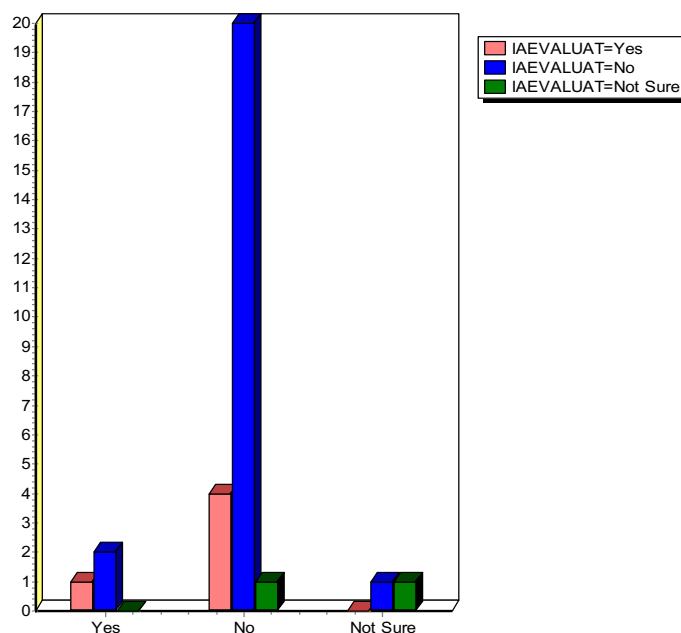
- The majority of the respondents (60%) were situated in the private sector.
- From the responses received, 76.67% of the respondents were from large organisations with at least 1 500 employees; 3.33% from medium-sized organisations with between 510 and 1500 employees; and the balance of 20% from “smaller” organisations with between 1 and 500 employees.
- A significant portion, 76.67%, of the respondents is in a position directly related to the internal audit environment. Only 23.33% of the respondents are not directly positioned in the internal audit environment.
- A significant portion (70%) of the respondents are qualified Certified Internal Auditors, which is a qualification directly related to the internal audit environment.

The results of questions three and four (the fact that the majority of the respondents are directly involved in the internal audit environment both by position (76.67%) and qualification (70%), provides a sense of comfort and justification regarding the results obtained for the rest of the questions (5–20), especially in terms of the quality of data obtained.

The rest of the results are discussed below and the necessary conclusions are drawn.

Table 2: The relationship between internal auditing evaluation and being trained to evaluate the effectiveness of corporate social media communication controls (Questions 5 & 6)

Was internal auditing trained to evaluate the effectiveness of controls?	Did internal auditing evaluate the effectiveness of controls?			Total
	Yes	No	Not Sure	
Yes	1	2	0	3
No	4	20	1	25
Not Sure	0	1	1	2
Total	5	23	2	30



A bivariate (cross-tabular) analysis was conducted to correlate the results of whether internal auditing evaluated the effectiveness of corporate social media communication controls and trained to do so. The results were intended to address the perception that the reason internal auditing did not evaluate the corporate social media communication controls is that they lacked the required training to do so. It is evident from the results that internal auditing is not evaluating the effectiveness of controls (76.66% – 23/30) and are not trained (83.33% – 25/30) to evaluate the effectiveness of corporate social media communication controls. The

fact that the effectiveness of these controls is not tested by the majority of respondents is the primary concern and should be addressed as a priority. The assessment of controls is a basic auditing principle which does not require additional training. Subject-specific training should, however, be considered to provide background when developing the audit programme. A further attribute could also relate to the result (Table 6 below), which answers the question of whether corporate social media communication risks are included in the auditable activities and entities that constitutes the corporate internal audit universe.

Table 3: Development over the past 12 months in the use of corporate social media communication in organisations (Question 7)

Development over past 12 months	Number of responses	% of the number of responses received
Not at all	7	23.33%
Moderate	15	50%
Significant	8	26.67%
Total	30	100%

The majority of the respondents (76.67%) confirmed that the use of corporate social media communication developed extensively in their organisations over the last twelve months. This illustrates the significant

increase and growth of corporate social media communication and its use in organisations, also in the literature review.

Table 4: The existence of a corporate social media communication policy (Question 8)

Existence of a policy	Number of responses	% of the number of responses received
Yes	14	46.67%
No	13	43.33%
Not sure	3	10%
Total	30	100%

More than half of the respondents (53.33%) indicated that they do not have (43.33%) or are not sure whether there is (10%) a corporate social media policy in their organisation. Only 46.67% indicated that a policy does exist in their organisation. With the increasing use of and the risks associated with

corporate social media communication, one would have expected a higher percentage of organisations that had a policy to regulate the use and assist with the mitigation of the risks associated with corporate social media communication. Once again, this could pose a significant risk to the organisation.

Table 5: Who is responsible for monitoring the compliance with the corporate social media communication policy? (Question 9)

Who is responsible for monitoring the compliance with the corporate social media communication policy?	Number of responses	% of the number of responses received
IT department	10	33.33%
Risk manager	2	6.67%
Line management	10	33.33%
Executive management	0	0%
Internal audit	2	6.67%
Not applicable/not marked	6	20%
Total	30	100%

Although only 46.67% (14 of 30) indicated that a policy exists in their organisation (see table 4 above), only 20% of the respondents did not mark or indicate 'not applicable' on their forms when asked who is responsible for monitoring the compliance with the corporate social media communication policy in their organisations. What was encouraging to a certain extent was that only 6.67% indicated that it is the

responsibility of internal auditing to monitor compliance with the corporate social media communication policy in their organisations. This indicates that these respondents realise that the monitoring of the implementation of an organisation's corporate social media communication policy is the responsibility of management, and not internal auditing.

Table 6: The identification of corporate social media communication risks in the risk universe of the organisation (Question 10)

Risks identified in risk universe	Number of responses	% of the number of responses received
Yes	14	46.67%
No	12	40%
Not sure	4	13.33%
Total	30	100%

A disappointing 46.67% responded that the risks associated with corporate social media communication have been included in the organisation's risk universe. Based on the negative consequences these risks can have on organisations and the increasing growth in the use of corporate social media communication as outlined in the literature review and case studies researched, one would have expected the percentage to be significantly higher. Forty per cent responded that these risks have not been included, which may also be a cause for concern because this implies that these organisations may not even be aware of their risks with regard to corporate

social media. Mushwana and Bezuidenhout (2014) argue that management's perception of the risks; the identification and designation of a risk owner and the inclusion of social media risk in the risk universe of organisations are the first three steps to consider when addressing the risks of corporate social media communication in organisations. Juergens (2013: Online) points out that there seems to be a huge oversight by management in that they do not realise or they overlook the valuable resource they have in internal auditing who can assist them with managing and mitigating the risks and challenges to which they are exposed by corporate social media communication.

Table 7: Identify potential crisis events pertaining to brand and reputational damage (Question 11)

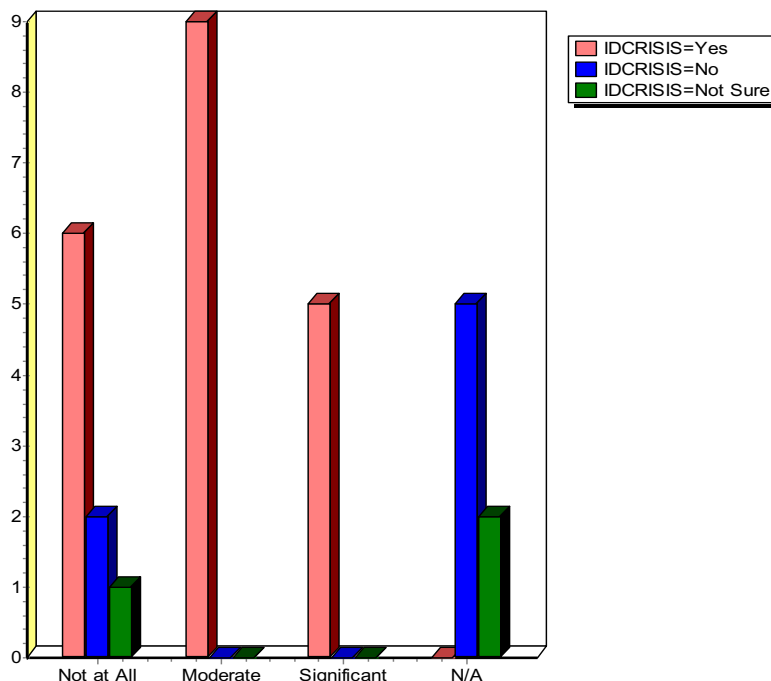
Potential crisis events identified pertaining to brand and reputational damage	Number of responses	% of the number of responses received
Yes	20	66.67%
No	7	23.33%
Not sure	3	10%
Total	30	100%

An overwhelming 66.67% of the respondents indicated that they have identified potential crisis events related to brand and reputational risk. This supports the 66.67% that identified brand and reputational risk as the most significant for organisations (see table 9 below) and the reviewed case studies that revealed as the most prominent risk

(see table 1 above). It is suggested by Deloitte (2014:Online) that there is a possibility to expand the role of an organisation's internal audit activity to include involvement in assessing and identifying risks pertaining to corporate social media communication, taking into account the harm an organisation's reputation can suffer.

Table 8: The relationship between the identification of crisis events pertaining to brand and reputational damage and the extent to which internal auditing was involved (Questions 11 & 12)

To which extent was internal auditing involved?	Did the organisation identify potential crisis events pertaining to brand and reputational damage?			Total
	Yes	No	Not Sure	
Not at all	6	2	1	9
Moderate	9	0	0	9
Significant	5	0	0	5
Not Applicable	0	5	2	7
Total	20	7	3	30



A bivariate (cross-tabular) analysis was conducted to correlate the results about the extent to which internal auditing was involved in the identification of crisis events pertaining to brand and reputational damage. The results were intended to address the perception that internal auditing does not do enough to assist management in addressing one of the most significant risks identified by organisations (see table 9 below). Twenty (66.67%) of the respondents identified potential crisis events pertaining to brand and reputational damage, while only five (16.67%)

stated that internal auditing was significantly involved in the organisation’s process of identifying potential crisis events relating to brand and reputational damage.

The pro-active involvement of internal auditing in identifying potential crisis events relating to brand and reputational risks would not only enhance an organisation’s governance processes but could also save the organisation substantial financial losses.

Table 9: The highest-ranking social media risk (Question 13)

Highest-ranking risk	Number of responses	% of the number of responses received
Brand and reputation	20	66.67%
Data security	7	23.33%
Regulatory compliance	1	3.33%
Data leakage	1	3.33%
Viruses and malware	1	3.33%
Total	30	100%

An overwhelming 66.67% of the respondents indicated brand and reputational risk as the most significant risk. This is supported by the literature. The case studies reviewed in section 4.1 provided similar results. Only 23.33% (a significant drop) of the respondents named data security as the second

highest risk. The results of regulatory compliance, data leakage and viruses and malware were somewhat unexpected as the world is operating at a technologically advanced level, which creates the expectation that IT-related issues would come to the fore.

Table 10: Who plays the most significant role in corporate social media communication risk assessment in the organisation? (Question 14)

Who plays the most significant role in corporate social media communication risk assessment in the organisation?	Number of responses	% of the number of responses received
IT department	6	20%
Risk manager	10	33.33%
Line management	6	20%
Executive management	3	10%
Internal audit	2	6.67%
Not applicable/not marked	3	10%
Total	30	100%

Only 10% of the respondents did not mark or indicate 'not applicable' on their forms when asked who plays the most significant role in corporate social media communication risk assessment in the organisation. A total of 83.33% indicated that their own management

plays the most significant role. It is reassuring that the respondents realise that it is not internal auditing that should be at the forefront, but that management should drive the corporate social media communication risk assessment in their organisations.

Table 11: Inclusion of corporate social media communication risks in the internal audit universe (Question 15)

Risks included in the internal audit universe	Number of responses	% of the number of responses received
Yes	10	33.33%
No	15	50%
Not Sure	5	16.67%
Total	30	100%

A mere 33.33% confirmed that the risks associated with corporate social media communication are included in the internal audit universe. This could be as a result of three factors: firstly, an overwhelming 76.66% of the respondents indicated that internal auditing does not evaluate the effectiveness of controls (see table 2 above); secondly, 83.33% stated that internal auditing

is not trained to evaluate the effectiveness of corporate social media communication controls (see table 2 above); and thirdly, a disappointing 46.67% confirmed that the risks associated with corporate social media communication have not been included in the organisation's risk universe (see table 6 above).

Table 12: Has internal auditing conducted a corporate social media communication review during the past three years? (Question 16)

Review done in the past three years?	Number of responses	% of the number of responses received
Yes	4	13.33%
No	23	76.67%
Not Sure	3	10%
Total	30	100%

The table above illustrates that 76.67% of the respondents confirmed that a corporate social media communication review was not conducted during the last three years. A mere 13.33% responded positively to a review having been conducted. These results confirm the perception that internal auditing still has a

long way to go in terms of their involvement in mitigating the risks associated with corporate social media communication. Tracking internal auditing's improvement in attending to this matter could be an area for future research.

Table 13: To what extent did the internal auditing review add value to your organisation? (Question 17)

To what extent did the internal auditing review add value to your organisation?	Number of responses	% of the number of responses received
Low	1	3.33%
Moderate	3	10%
High	0	0%
Not Sure	2	6.67%
Not Applicable	24	80%
Total	30	100%

Only 13.33% of the respondents indicated that internal auditing added some value when they

conducted a corporate social media communication review in the organisation during the past three years.

A significant percentage (80%) responded with 'not applicable', and 6.67% said that they are unsure whether any value was added. Consistent with the IIA SA standards (IIA 2012:Online), it appears from this result that the internal audit activity is not fulfilling its mandate of adding value to corporate social media

communication. This also confirms the perception that internal auditing can do much more and should step-up in their role of assisting management to mitigate the risks associated with corporate social media communication.

Table 14: The extent to which internal auditing provided input to ensure secure information technology and data systems (Question 18)

Internal auditing input provided into information technology and data systems	Number of responses	% of the number of responses received
Not at all	5	16.67%
Moderate	15	50%
Significant	9	30%
No response	1	3.33%
Total	30	100%

Only 20% responded negatively, which indicates that internal auditing's opinions matter to the organisation to secure data and information. This result also

supports the "lower" rating identified for the data leakage risk as identified by organisations (see table 9 above).

Table 15: Did internal auditing assess and comment on the effectiveness of the organisations' governance structures? (Question 19)

Did internal auditing assess and comment on the effectiveness of the organisations' governance structures?	Number of responses	% of the number of responses received
Yes	20	66.67%
No	9	30%
Not sure	1	3.33%
Total	30	100%

The internal audit activity provides assurance to management and the audit committee on three basic areas, namely: internal controls, risk management and governance of the organisations (IIA 2012: Online). It is encouraging to note that the majority (66.67%) of the respondents indicated that internal

auditing assessed and commented on the effectiveness of their organisations' governance structures. Regardless of the aforementioned, it is a cause for concern that 30% of the respondents have a negative opinion of internal auditing's involvement in governance. This indicates that there is room for improvement.

Table 16: Out-sourced corporate social media communication contracts reviewed by internal auditing (Question 20)

Internal auditing review of out-sourced corporate social media communication contracts	Number of responses	% of the number of responses received
Yes	0	0%
No	14	46.67%
Not sure	4	13.33%
Not marked	12	40%
Total	30	100%

Although no positive response was received, this result can most likely be attributed to the high percentage (40%) that did not respond to the question. This in itself might be an area of concern as it implies that internal auditing was not given the opportunity to provide any assurance in respect of compliance to contractual agreements concerning social media. This has the potential to evolve into more risks being faced by the organisation.

social media communication poses for organisations. Secondly, the study aimed to explore the extent of the involvement (i.e. the role) of internal auditing in assisting the management of organisations to evaluate and mitigate the risks that corporate social media communication poses.

6 CONCLUSION

The aim of this study was two-fold: firstly, to determine, through review of case studies, the various risks, effects and challenges that corporate

Corporate social media communication, if not managed properly, can lead to legal, financial and reputational risks for organisations, as outlined by Ployhart (2014). With a majority of 76.67% of respondents confirming the significant and moderate development of corporate social media communication in their organisations in the last twelve months, the study revealed that management needs to attend to

corporate social media communication and, therefore, cannot ignore the risks associated with it. Although 46.67% responded that the risks associated with corporate social media communication have been included in the organisation's risk universe, the organisation did not have a corporate social media communication policy. With the phenomenal growth of corporate social media communication and the risks it poses as outlined in the literature review, one would have expected these percentages to be higher.

The chief audit executives at organisations should review their commitment to management in light of the low percentage (66.67% in total) that confirmed either that corporate social media communication risks are not included in the internal audit universe (50%) or that they are not sure (16.67%) whether or not this was the case. To make matters worse, the study revealed alarming results of 76.66% and 83.33% indicating that internal auditing was not evaluating and not trained to evaluate the effectiveness of corporate social media communication controls. These results highlight the need for chief audit executives and internal audit management to re-examine the competency of the internal audit members to address these risks and be in a position to add value to the organisation.

Lastly, the 76.67% response that internal auditing did not conduct any corporate social media communication reviews during the past three years is evident that internal auditing might not be doing enough. It is time to step-up and assist management

in mitigating the risks associated with corporate social media communication.

7 RECOMMENDATIONS

One of the interventions management can put in place to address the corporate social media communication risks and challenges they face is the development and implementation of corporate social media communication policies as well as the method and timing of its responses to these crises.

Based on internal auditors' knowledge and experience of risk management, they should be actively involved in providing advice in the design of structures, policies, risk management processes and security systems pertaining to social networking in the workplace.

The responsibility of internal auditing with regard to risks associated with corporate social media communication is thus, as with all other risks, non-negotiable. The internal audit activity can assist management in mitigating the risks associated with corporate social media communication by:

- being involved from the onset in the design and execution of internal controls;
- identifying and analysing risks and their appropriate responses; and
- educating management about the importance of mitigating risks associated with corporate social media communication.

REFERENCES

- Aguenza, B. & Puad Mat Som, A. 2012. A conceptual analysis of social networking and its impact on employee productivity. *IOSR Journal of Business and Management*, 1(2):48-52. [Online]. <http://www.iosrjournals.org> (Accessed: 17 September 2015).
- Anderson, G., Varne, R.M., Warren, P.D., Czerwinski, J.M. & Andolina, E.G. 2011. *Managing Third-Party Relationship Risk*. [Online]. <http://www.crowehorwath.com> (Accessed: 27 August 2014).
- Aula, P., Laaksonen, S. & Neiglick, S. 2010. *Reputational Risks and the Rising of Digital Publicity*. [Online]. <http://www.helsinki.fi/crc/en> (Accessed: 27 August 2014).
- Babbie, E.R. 2009. *The Practice of Social Research*. 12th edition. Belmont: Wadsworth.
- Baker, D., Buoni, N., Fee, M. & Vitale, C. 2011. *Social Networking and Its Effects on Companies and Their Employees*. Aston: Neumann University.
- Berman, J. 2014. *The Three Essential Warren Buffet Quotes To Live By*. [Online]. <http://www.forbes.com/sites> (Accessed: 17 September 2015).
- Bogoslaw, D. 2014. *Internal Audit Getting in Early on Strategic Planning*. [Online]. <http://www.corporatesecretary.com/articles/risk-management-d-o-liability/12698/internal-audit-getting-early-strategic-planning/> (Accessed: 10 March 2015).
- Brogan, C. 2010. *Social media 101: tactics and tips to develop your business online*. Hoboken: John Wiley and Sons.
- Brinkley, M. 2014. Governance perspectives. *Internal Auditor*, April:68-69.
- Business Dictionary. n.d. *Reputational Risk*. [Online]. <http://www.businessdictionary.com/definition/reputation-risk.html> (Accessed: 27 August 2014).
- Business Dictionary. 2016. *Corporation*. [Online]. <http://www.businessdictionary.com/definition/corporation.html> (Accessed: 16 September 2016).

- Cambridge Dictionaries Online. 2014a. *Third Party Risk*. [Online]. <http://www.dictionary.cambridge.org> (Accessed: 4 September 2014).
- Cambridge Dictionaries Online. 2014b. *Productivity Risk*. [Online]. <http://www.dictionary.cambridge.org> (Accessed: 4 September 2014).
- Castellan, C.M. 2010. Quantitative and qualitative research: A view for clarity. *International Journal of Education*, 2(2):7. [Online]. <http://www.macrothink.org/ije>. (Accessed: 16 September 2015).
- Cavico, F.J., Mujtaba, B.G., Muffler, S.C. & Samuel, M. 2013. Social media and employment-at-will: Tort law and practical considerations for employees, managers and organizations. *New Media and Mass Communication*, (11):25-41.
- COSO 2013. *Internal control framework*. [Online]. http://www.coso.org/documents/990025P_Executive_Summary_final_may20_e.pdf. (Accessed 5 September 2015).
- Creswell, J.W. 2003. *Research Design: Qualitative, Quantitative and Mixed Methods Approaches*. Thousand Oaks: Sage.
- Culp, S. 2014. *A Comprehensive Approach to Managing Social Media Risk and Compliance*. [Online]. <http://www.accenture.com/sitecollectiondocuments/financial-services/accenture-comprehensive-approach-managing-social-media-risk-compliance> (Accessed: 12 March 2015).
- Deloitte & Forbes Insights. 2013. *Aftershock: Adjusting to the new World of Risk Management*. [Online]. <http://www2.deloitte.com/us/en/pages/governance-risk-and-compliance/articles/aftershock.html> (Accessed: 4 September 2015).
- Deloitte. 2009. *Social networking and reputational risk in the workplace: Deloitte LLP 2009 ethics & workplace survey results*. [Online]. <http://www.slideshare.net/PingElizabeth/deloitte-2009-ethics-workplace-survey>. (Accessed: 4 September 2015).
- Deloitte. 2014. *Social Media Risks Create an Expanded Role for Internal Audit*. [Online]. <http://www.deloitte.wsj.com> (Accessed: 4 September 2014).
- Enlightenme n.d. *What Is Compliance Risk?* [Online]. <http://www.enlightenme.com/compliance-risk/>. (Accessed: 21 October 2015).
- Ferreira, A. & Du Plessis, T. 2009. Effect of online social networking on employee productivity. *SA Journal of Information Management*, 11(1):2-6.
- Fleming, M.B. & Miles, A.K. 2012. Punishing employees for using social media outside the scope of their employment: What are the potential legal repercussions to the private employer? *ALBS Journal of Employment and Labour Law*, 13:1-22.
- Gordon, P. 2007. *Data Leakage: Threats and Mitigation*. [Online]. <https://www.sans.org/reading-room/whitepapers/awareness/data-leakage-threats-mitigation-1931> (Accessed: 4 September 2015).
- Greenwald, J. 2009. Employees' social networking raises employers' liability risk. *Business Insurance*, 19 July. [Online]. <https://www.businessinsurance.com/article/20090719/ISSUE01/307199966> (Accessed: 12 March 2015).
- Hudson, S.C. & Roberts, K.K. 2012. Drafting and implementing an effective social media policy. *Texas Wesleyan Law Review*, 18:767-794.
- Institute of Internal Auditors. 2012. *International standards for the professional practice of internal auditing (Standards) – Revised October 2012*. [Online]. <https://www.na.theiia.org/standards-guidance/Public%20Documents/IPPF%202013%20English.pdf> (Accessed: 27 August 2015).
- Juergens, M. 2013. *Social media risks create an expanded role for internal audit*. [Online]. <http://www.deloitte.wsj.com/cfo/2013/08/15/social-media-risks-create-an-expanded-role-for-internal-audit> (Accessed: 4 September 2015).
- Kelsey, M.D. & Matossian, M. 2004. Compliance Risk: Ensuring the risk taken is the Risk Intended. *AB Bank Compliance*, May/June:6. [Online]. <http://www.aba.com/Compliance/> (Accessed: 18 September 2015).
- KPMG. 2012. *Social Media Internal Audit's response*. [Online]. https://www.kpmg.com/BE/en/IssuesAndInsights/ArticlesPublications/Documents/Social%20Media_ITIA's%20response.pdf (Accessed: 12 March 2015).
- KPMG. 2014. *Financial Services Regulatory Point of View: The New Third-Party Oversight Framework: Trust but Verify*. [Online]. <http://www.kpmg.com>. (Accessed: 17 September 2015).
- Magcaba, S. 2013. *FHM 'rape comment' employees fired*. [Online]. <http://www.enca.com/south-africa/fhm-employees-fired> (Accessed: 4 September 2015).

- McCarthy, M.P. & Krishna, S. 2011. *Social Media: Time for a Governance Framework*. [Online]. <https://www.kpmg.com/US/en/IssuesAndInsights/ArticlesPublications/Documents/social-media-time-for-governance.pdf> (Accessed: 4 September 2015).
- McCorkindale, T. & DiStaso, M.W. 2013. The Power of Social Media and Its Influence on Corporate Reputation. In C.E. Carroll (ed.). *The Handbook of Communication and Corporate Reputation*, pp. 496-508. Oxford: Blackwell Publishing.
- Media News. 2012. *Managing Online Reputational Risk*. [Online]. <http://www.bizcommunity.com/Article/196/15/74767.html> (Accessed: 4 September 2014).
- Merrill, T., Latham, K., Santalesa, R. & Navetta, D. 2011. *Social media: The business benefits may be enormous, but can the risks – reputational, legal, operational – be mitigated*. Zurich: ACE.
- Mushwana, G. & Bezuidenhout, H. 2014. Social media policy in South Africa. *The Southern African Journal of Accountability and Auditing Research*. 16:63-74.
- Mybroadband. 2014. *FNB Twitter "joke" causes online storm*. [Online]. <http://www.mybroadband.co.za/news/internet/100964-fnb-twitter-joke-goes-wrong.html>. (Accessed: 4 September 2014).
- Osborne, C. 2011. *Apple's internal employee social media policies leaked*. [Online]. <http://www.zdnet.com/blog/igeneration> (Accessed: 4 September 2015).
- Our Social Times. 2013. *6 Examples of social media crises: What we can learn*. [Online]. <http://www.oursocialtimes.com/6-examples-of-social-media-crises-what-can-we-learn>. (Accessed: 5 September 2015).
- Ployhart, R.E. 2014. *Social Media in the Workplace: Issues and Strategic Questions*. Alexandria: SHRM Foundation.
- Recalde, M.E. 2010. *The Need For a Social Media Policy*. [Online]. <http://www.sheehan.com> (Accessed: 4 September 2015).
- Roath, D. & Holcomb, C. 2014. *Internal Audit Should Play Bigger Role in IT*. [Online]. <http://www.2.cfo.com/risk-management/2014/10/internal-audit-play-bigger-role/> (Accessed: 10 March 2015).
- Singleton, T.W. 2012. *What Every IT Auditor Should Know About Auditing Social Media*. [Online]. <http://www.isaca.org/Journal/archives/2012/Volume-5/Pages/What-Every-IT-Auditor-Should-Know-About-Auditing-Social-Media.aspx>. (Accessed: 10 March 2015).
- Smith, M.J. 1988. *Contemporary Communication Research Methods*. Belmont: Wadsworth Publishing.
- Walter, I. 2006. *Reputational Risk and Conflicts of Interest in Banking and Finance: The Evidence So Far*. [Online]. <http://www.ssrn.com/abstract=952682> (Accessed: 18 September 2015).
- Wellman, J.C. & Kruger, S.J. 2001. *Research Methodology*. Cape Town: Oxford University Press.
- Wilson, J. 2009. Social networking: The business case. *Engineering & Technology*, 4(10):54-56.
- Zarella, D. 2010. *The social media marketing book*. North Sebastopol: O'Reilly Media.
- Zurich. 2008. *Strategies for managing information security risks*. [Online]. <https://www.zurich.com> (Accessed: 17 September 2015).

ANNEXURE A



UNIVERSITEIT VAN PRETORIA
UNIVERSITY OF PRETORIA
YUNIBESITHI YA PRETORIA

Department of Auditing
Tel: (012) 420 - 4427
Fax : (012) 420 - 4547
<http://www.up.ac.za>

Letter of Introduction and Informed Consent

Department of Auditing

**Title of the Study: Risks faced with Corporate Social Media Communication –
Time for Internal Auditing to step-up**

Research conducted by:

Mrs SC Green (13336020)
Cell: 082 300 9262

Dear Participant

You are invited to participate in an academic research study conducted by Sharon Charmaine Green, Masters Student from the Department of Auditing at the University of Pretoria. The purpose of the study is to investigate the role of Internal Auditing in providing assistance to management in mitigating the risks associated with Corporate Social Media Communication.

Please note the following:

- This is an anonymous survey as your name will not appear on the questionnaire. The answers you give will be treated as strictly confidential as you cannot be identified in person based on the answers you give.
- Your participation in this study is very important to us. You may, however, choose not to participate and you may also stop participating at any time without any negative consequences.
- Please answer the questions in the attached questionnaire as completely and honestly as possible. This should not take more than 15 minutes of your time.
- The results of the study will be used for academic purposes only and may be published in an academic journal. We will provide you with a summary of our findings on request.
- Please contact the study leader, Professor H. de Jager, contact number 012 420 6955, herman.dejager@up.ac.za if you have any questions or comments regarding the study.

Please tick the applicable box to indicate that:

- You have read and understand the information provided above.
 Yes No
- You give your consent to participate in the study on a voluntary basis.
 Yes No

Questionnaire - Risks faced with Corporate Social Media Communication –**Time for Internal Audit to step-up**

The purpose of the study is to investigate the role of Internal Auditing in providing assistance to management in mitigating the risks associated with Corporate Social Media Communication.

Once you have completed the questionnaire, please submit to:

Sharon Green

Email address:GreenS@saps.gov.za

#	Question
1	Which sector do you work in? <input type="checkbox"/> Public <input type="checkbox"/> Private
2	What is the size of your organisation in respect of the number of employees? <input type="checkbox"/> 1 - 100 <input type="checkbox"/> 101 - 500 <input type="checkbox"/> 501 – 1500 (Medium) <input type="checkbox"/> 1501+
3	What qualifications/designation (highest) do you hold? <input type="checkbox"/> CA (SA) <input type="checkbox"/> Master's Degree <input type="checkbox"/> Honours Degree <input type="checkbox"/> CIA <input type="checkbox"/> B.Com Degree <input type="checkbox"/> Other
4	What is your position in the organisation? <input type="checkbox"/> CAE <input type="checkbox"/> Internal Audit Manager <input type="checkbox"/> Internal Audit Supervisor <input type="checkbox"/> Internal Auditor <input type="checkbox"/> Other
5	Did Internal Audit evaluate the effectiveness of Social Media Communication controls? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not sure
6	Was Internal Audit trained to evaluate the effectiveness of Social Media Communication controls? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not sure
7	How did corporate use of Social Media Communication develop in your organisation over the past 12 months? <input type="checkbox"/> Not at all <input type="checkbox"/> Moderate <input type="checkbox"/> Significant
8	Does your organisation have a Corporate Social Media Communication policy in place? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not sure
9	Who is responsible to monitor the compliance to the Social Media Communication policy? <input type="checkbox"/> IT Department <input type="checkbox"/> Risk Manager <input type="checkbox"/> Line Management <input type="checkbox"/> Executive Management <input type="checkbox"/> Internal Audit
10	Have risks associated with Corporate Social Media Communication been identified in the risk universe of your organisation? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not sure
11	Did the organisation identify potential crisis events pertaining to brand and reputational damage? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not sure
12	If you answered 'yes' to Q11 above, to what extent was Internal Audit involved? <input type="checkbox"/> Not at all <input type="checkbox"/> Moderate <input type="checkbox"/> Significant

Risks associated with corporate social media communication - Time for internal auditing to step-up

13	Which social media risks are rated the highest risk in the organisation? <input type="checkbox"/> Brand and Reputatio <input type="checkbox"/> Data Security <input type="checkbox"/> Regulatory Compliance <input type="checkbox"/> Data leakage <input type="checkbox"/> Viruses and Malware
14	Who plays the most significant role in social media risk assessment in the organisation? <input type="checkbox"/> IT department <input type="checkbox"/> Risk Manager <input type="checkbox"/> Line Management <input type="checkbox"/> Executive Management <input type="checkbox"/> Internal Audit
15	Have you included Corporate Social Media Communication risks in your Internal Audit universe? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not sure
16	Have the Internal Audit Activity conducted a Corporate Social Media Communication audit review in the past three years? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not sure
17	If you answered 'yes' to Q16 above: To what extent did the internal audit review add value to your organisation? <input checked="" type="checkbox"/> Low <input type="checkbox"/> Moderate <input type="checkbox"/> High <input type="checkbox"/> Not sure
18	To what extent did Internal Audit provide input to ensure secure information technology and data systems? <input type="checkbox"/> Not at all <input type="checkbox"/> Moderate <input type="checkbox"/> Significant
19	Did Internal Audit assess and comment on the effectiveness of the organisations' governance structures? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not sure
20	If your organisations' social media was outsourced, did Internal Audit review the contracts to ensure that the contractual procedures were followed? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not sure



*The Southern African
Journal of Accountability
and Auditing Research*



Evolving Research