

The time is now

The world has transformed into a global village with people just one click away. Social media has become the essential factor in reshaping the globe—empowering youth, women, governments and entrepreneurs—while, most importantly, encouraging freedom of speech in our part of the world. But what of the risks associated with this exponential rise in the use of social media?





The Arab Spring in 2011 played a vital role in the exponential growth of social media in the Middle East and according to the U.S. Census Bureau, social media numbers continue to grow in the region, exceeding global average numbers, with many countries, in particular Saudi Arabia and the United Arab Emirates (UAE) showing strong social media penetration. The surge in social media use, however, is a double-edged sword: while allowing end-users to transform the Internet from a monologue to a collaborative mode of communication, it also exposes organizations to risks related to data, technology, people and structure.

Social media indicators in Saudi Arabia and the UAE

Social Indicators	Saudi Arabia	United Arab Emirates
Social media penetration as a percentage of the total population	51%	81%
Average time social media users spend on social media each day	2 hrs 48 min	3 hrs 17 min
Percentage of mobile users using social media apps on their phone	51%	52%

Source: US Census Bureau, Global Web Index Wave 11

Avoiding social media in order to protect one's reputation is no longer an option for businesses. Companies have the choice to engage internal auditors to assess social media risks and recommend mitigation plans from a fresh and independent perspective.

Where social media is concerned, these factors are often beyond a company's control yet can ultimately impair its reputation. Facts and figures sourced from The Social Media Revolution 2015, show the importance of social media in our daily lives.

The importance of social media in daily life



680,747

views per corporate YouTube channel



190 million

tweets per day



78%

of consumers trust opinions of others



2nd

largest search engine in the world is YouTube



>40%

of social media users access content from their mobile phone



>62%

of Fortune 500 companies have an active corporate Facebook or Twitter account



10.5 billion minutes

are spent on Facebook each day excluding mobile



2.9 billion hours

are spent on YouTube each month



8 out of 10

companies are talked about on Twitter



No.1

Web activity is Social Media



80%

of companies use social media for recruiting



>1 billion

active Facebook users

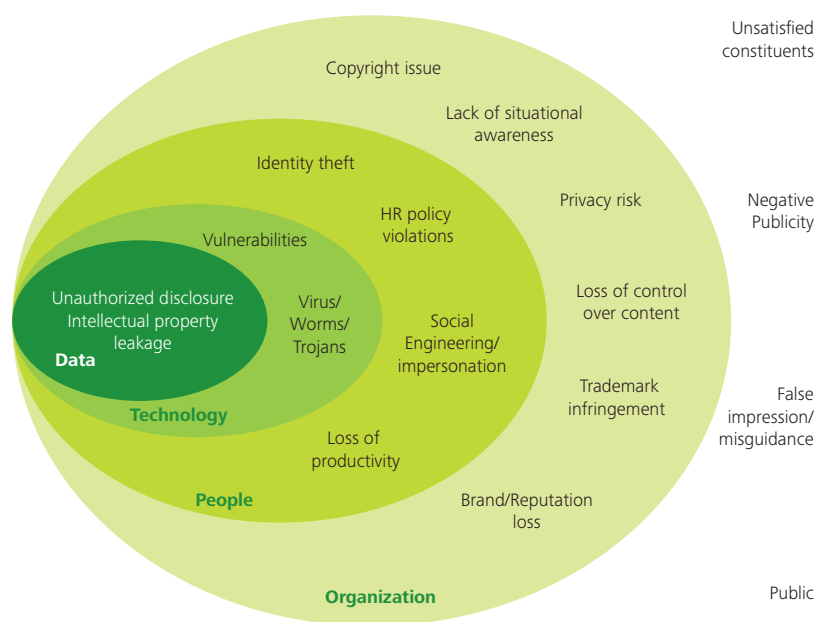
According to a recent Deloitte survey, 87 percent of executives interviewed rated reputation risk as “more important” or “much more important” than other strategic risks their companies are facing.

Meanwhile, based on a different survey, 78 percent of interviewees view social media as a moderate to high risk. In addition, 45 percent do not have a formally documented social media policy or are unaware of one and 47 percent do not have a formal policy governing mobile device usage for social media or are unaware of one. Finally 69 percent do not have any internal audit or risk review of social media activity or are unaware of one.

Leading practices for social media are still evolving but organizations should take the preemptive steps to mitigate the risks rising from social media, which have the biggest impact on revenue and brand value. Organizations should conduct an enterprise-wide social media assessment and accordingly develop a social media strategy aligned with its business objectives. It is imperative for an organization to map the risks identified and establish processes governed by policies and procedures to ensure that controls are mitigating those risks. Accountability and ownership of controls should be established and supported by monitoring tools.

Avoiding social media in order to protect one’s reputation is no longer an option for businesses. Companies have the choice to engage internal auditors to assess social media risks and recommend mitigation plans from a fresh and independent perspective. A more traditional, fragmented internal audit approach will be a formidable exercise: internal auditors should therefore adopt a more holistic, and modern auditing approach inclusive of the different Information Technology platforms and involving a wide range of departments such as Human Resources, Legal, Marketing and others.

These internal auditors will focus on social media risks surrounding data, technology, people and the organization and ensure that they conform to any applicable regulatory requirements. Given the emerging threats pertaining to social media, organizations should



Source: Deloitte Resources: How cyber criminals make use of social media

consider investing in additional resources and capabilities related to cyber threat management and brand protection solutions that include Cyber Threat Profile Analysis, Suspicious Program Diagnostics, Anti-Phishing Capability Diagnostic and Social Media Impact Survey.

The United States, Canada and Australia are pioneering countries in enacting a number of regulations around social media. In the Middle East, regulatory agencies will likely become more active in regulating social media by issuing pronouncements; this particularly rings true for agencies overseeing the financial sector, in order to strike a balance between risks and opportunities. For any company or organization that has not yet taken active steps towards a social media audit, the time is now.

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