

Compliance Audits & Reviews of Employee Social Media Activity

How to Minimize Your Risk & Compliance Violations with Social Media Audits



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Maintaining a compliant social media framework goes beyond policy, governance, training and monitoring. Your processes and online activities require auditing as a check and balance, especially as your organization ramps up social media and digital communication efforts. Increased activity brings increased risk of potential violations, breach of laws, regulations, practices and policies, all of which need to be in sync with industry changes. Your financial institution will want to remain proactive, staying ahead of the competition and embracing emerging social media opportunities. To ensure compliance in this environment, introducing auditing and oversight practices is critical. Audits assist by making certain past

and present activities are on track by evaluating what works, what doesn't work and how to improve use of the numerous social media platforms. Auditing is the information gathering step that allows you to see trends, study employee activity and manage risk.

The Difference Between Auditing and Monitoring

Monitoring and auditing are called out separately by the [Federal Financial Institutions Examination Council \(FFIEC\) Guidelines for Social Media Compliance](#) as important individual components of your organization's risk management program. Financial institutions are instructed to develop programs that monitor information posted on social

media sites, as well as create audit functions that ensure ongoing compliance with internal policy, applicable laws and regulation. Unlike monitoring, which looks at activities, auditing is also necessary in order to verify your corporate actions are compliant and therefore minimize risk.

Auditing, as a key element of your risk management program and social media policy, allows your organization to leverage data and information on your employees' activities. This material helps management develop a clear understanding of when and where violations transpire, why issues are occurring and who is most likely to breach policy in the future. Thorough auditing will enable you to have more effective compliance controls.

You'll be able to effectively prioritize and schedule audits that focus on the activities and employees that require the most attention in order to avoid problem areas, such as the following:

➤ **Regulatory Violations**

Violations can be costly. With regulatory agencies and examiners actively observing social media activity to seek out potential violators, you want to make certain you are aware of any at-risk behavior.

➤ **Company Policy Violations**

Social media advertising compliance and employee adherence to corporate policies and procedures needs to be checked consistently and strategically in order to preserve brand identity and established privacy policies.

➤ **Reputational Damage**

Violations, fines, misinformation and simple, careless social media habits by employees can cause reputational damage that is preventable and defensible with effective auditing practices.

Performing a Proper Audit

Effective auditing should start by looking at each social media platform, as well as each of your employees, branch locations, third-party partners and your digital marketing communications. Careful analysis to identify what audit data is important to your corporate brand and compliance oversight will help to maximize your results, as well as ensure consistency and accuracy.

Your oversight program should include looking for the unknown activity in addition to the known.

It is important that audits are performed regularly and findings should be detailed over the past 12 months. This historical perspective allows you to readily analyze trends and optimize information to identify issues, prevent reoccurrence and minimize potential violations. Audit data also helps determine where to focus training and what to look for when scheduling future audits.

Automating your auditing processes will help solidify the validity of your findings and, more importantly, provide immediacy in results. When dealing with social media platforms, the sooner you know what's posted about your company the better. Thoughtful preparation for audits will help ensure data integrity as well. Your oversight program should include looking for the unknown activity in addition to the known. These processes can benefit from audits that hone in on specific trigger words and phrases most commonly flagged for violation. Some examples include looking for "guarantee" and "rate" in the same post, the absence of "NMLS ID" in loan officer posts, and "APR" in postings by individuals, including blog content and comments. In any style of individual social media communication, you'll need to audit for both compliance and reputational risk. Start by searching for your company name.

In any social media communication, audit for both compliance and reputational risk and start by searching for your company name.

Who to Audit

When establishing your corporate social media compliance policy and subsequent oversight controls, determining who should be audited will be an integral part of deriving meaningful audit data. It is highly recommended that financial institutions audit the activities of anyone who posts on blogs, comments, posts pictures and videos or otherwise represents your company on social media platforms. These postings should also include a corporate perspective, whether internally managed or posts produced on your behalf by a third-party marketing provider. Most importantly, all individual activities should be subject to audit, in particular your loan officers who are using social media and online marketing to generate client leads.

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Let's take a closer look at the various groups that should be audited as a part of oversight and auditing protocol:

➤ Individual Employee

Probably the most cumbersome audit task will involve looking at individuals that work for your organization. They are inherently the face of your company on social media. Your auditing criteria needs to be driven by your analysis of employee social media activities, monitoring results and compliance policy guidelines. What are the prevailing activities, common platforms and how does each employee respond to marketing initiatives, to include adherence to best practices, policies and regulatory guidance? Your goal should be to develop audits that look at past and current activity, evaluating who is most active.

Schedule ongoing audits on new hires, employees that are frequently active on social media and anyone that has a history of violations or indicates a likelihood of committing a violation in the future. With this information, employee training and monitoring

programs can be prioritized based on prevalent risk factors and audit attention can be directed in the areas that are most critical.

➤ Branch Offices

If a specific branch office conducts its own marketing, including social media posts or blogging, then the company should perform audits on historical actions and current activity. Any activity that could reflect on the company and/or branch should be audited for the past 12 months to make certain that social media involvement is compliant and carries minimal risk. Everything an individual branch does to market itself reflects back on the corporation as a whole, so it pays to analyze what's being posted and make certain each office adheres to your social media compliance policy.

➤ Corporate Marketing

A lot of companies make the mistake of only focusing their compliance audits on individual employees, but that is just one aspect of what should be a much bigger plan. All past corporate-level online

marketing, social media posts and blog articles need to be audited and reviewed to make sure violations haven't taken place in addition to auditing to prevent future occurrences.

➤ **Third-Party Providers**

Any and all third-party marketers or vendors that may directly represent or comment on behalf of your company must be audited on a consistent basis. They also need to have a clear understanding of your specific compliance policy and applicable industry regulations. Third-party providers should be audited just like any employee or internal marketing representative.

➤ **Using Audits to Develop Monitoring Controls**

Once your auditing program is in place and audit data is achieving strategic goals, your financial institution should perform a thorough risk assessment; you will then be able to prioritize and refine your monitoring protocols. This assessment will assist in defining which employees or partners need to be most closely

monitored and the subject of ongoing audits. In most cases, the employees who are most actively using social media to create business will require more frequent review. However, the most active employees may not always be the most troublesome. Those who don't use social media on a frequent basis are more prone to violations because they become unfamiliar with policies and are not as aware of common pitfalls.

Monitoring efforts can be used to flag potential problems, retrain employees as needed and make sure policy and regulatory violations, as well as reputational damage, are avoided. Ultimately, auditing, monitoring and reviewing opportunities go hand-in-hand in corporate efforts to implement and enforce a strong social media compliance policy.

➤ **Using Automated Auditing Systems to Streamline the Process**

Automating audit practices will assist your financial institution in accurately seeking and identifying possible

violations and regulatory infractions. Although auditing can be a manual effort, the breadth of social media activity, ambiguity in regulation and rate of technological innovation necessitates practices that are expeditiously and consistently executed.

Technology has made the auditing process much simpler and more concise, as more companies utilize software to perform thorough audits to gather the necessary data. What sounds like a very cumbersome process becomes easier than you think with the aid of industry experts such as Optimal Blue. Providing a leading-edge social media solution that offers on-demand monitoring and auditing, Optimal Blue is exactly the business partner your organization needs to facilitate your presence on social media and expand your market share in a compliant, risk-adverse manner.

Innovating Your Compliance Audit Experience

Auditing for data can greatly improve your social media presence in addition to managing oversight. With the Optimal Blue Social Media platform this effort is simple and immediate, bringing additional functionality to your efforts.

- ✔ 360-Degree Audit Profile
- ✔ Automated Audit Scheduling
- ✔ On Demand Audit Capabilities
- ✔ Easy On/Off Functionality
- ✔ Ability to Set Frequency and Percentage of Staff to be Audited
- ✔ Availability of Predetermined Regulatory and Legal Compliance Triggers
- ✔ Automated MLO List Management

Schedule Audits Instantly with the Optimal Blue Solution



Start Monitoring

Meet regulatory obligations for ongoing monitoring of your loan officer's Social Media



Create an Order

Order a complete Social Media review of one or all of your loan officers



Compliance Schedule

Automate Social Media reviews to meet the needs of your compliance management program

About Optimal Blue

Optimal Blue, a financial technology company, operates the nation's largest Digital Mortgage Marketplace, connecting a network of originators and investors and facilitating a broad set of secondary market interactions. The company's technology solutions include product eligibility and pricing, lock desk automation, risk management, loan trading, and data and analytics. More than \$750 billion of transactions are processed each year across the Optimal Blue platform. For more information, please visit www.optimalblue.com.