Benefits of Data Classification

Data classification is about identifying data types, and evaluating storage, sensitivity, access and protection. By classifying data, steps can be taken to manage the risk and impact of unauthorized access, and enable a more efficient and effective approach to information technology security. The three steps of data classification are: inventory, categorization and application of controls.

Data Inventory – Know The Data You Have
- A data inventory helps organizations get a true picture of their data holdings.
- Creating a data inventory includes formally documenting:
  - Data type (e.g., SSN, credit card number, diagnoses);
  - Data location (e.g., lockable file cabinet, server, laptop drive);
  - Data owner; and
  - Data custodian.
- Inventories include data held in paper and electronic format.

Data Categorization – Know Your Data’s Sensitivity
- South Carolina data classification categories are: public, internal use, confidential, and restricted.
- Data categories are based on the value of information and the potential harm to the individual and the organization if the information is accessed by an unauthorized person.
- Categorizing data increases an agency’s ability to identify and mitigate risk, while simultaneously ensuring effective incident response.

Application of Controls – Implement Safeguards
- Implementing controls includes the consideration of:
  - Statutory and legal mandates;
  - Terms of contracts and agreements;
  - Retention schedules; and
  - Administrative, physical, and technical safeguards.
- The types of safeguards implemented should be commensurate with the data’s sensitivity.
- Examples of controls include information security technologies, policies and procedures, training, physical locks, and data destruction practices.