

## AUDIT

# Brief analysis of the impact on users of document labelling in Microsoft 365

Federal Chancellery – Digital Transformation and ICT Steering Sector

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## KEY FACTS

With the introduction of Microsoft 365 (M365) in the Federal Administration, sensitivity labelling will also become compulsory for Office documents. Sensitivity labelling in Microsoft 365 allows documents to be allocated and labelled with confidentiality levels. The obligation to apply a sensitivity label to the document will apply irrespective of the location in which they are saved. This will result in additional work for employees, as all previously worked documents will have to be systematically classified. Labelling should primarily specify whether a document may be saved in the public cloud, in order to ensure that information protection requirements are being met. It also helps to increase awareness around the importance of document classification. However, since only a few documents have actually been saved in the public cloud so far, the immediate added value for users is currently low.

The Swiss Federal Audit Office (SFAO) has carried out a brief assessment on the user-friendliness of Microsoft 365, in particular regarding the cost of document labelling and data security.

Storing sensitive data in the public cloud carries the risk that it is stored in insecure locations. Classifying the documents should avoid sensitive data from being stored in the public cloud. However, the current labelling system cannot fully exclude this risk. The SFAO considers the blanket labelling of all documents to be inefficient if it only serves to control public cloud storage. The SFAO recommends cancelling the obligation to label Microsoft 365 documents and then only accepting explicitly labelled documents into the public cloud for storage. This would mean that by default any document without a label would not be permitted to be stored in the public cloud.

In addition, the current labelling system does not fully cover the classification levels.

The SFAO is proposing two alternative approaches:

- Option 1: Simplified labelling involves identifying documents that may be stored in the public cloud. No other documents are labelled. This simple identification system makes it simple to understand and reduces the administrative burden.
- Option 2: Detailed, four-level labelling enables more accurate document classification. As such, sensitive documents could be specifically labelled as 'INTERNAL' or 'CONFIDENTIAL'. Prompt and correct labelling helps to avoid time-consuming changes to the classification of sensitive documents at a later stage.

These measures would leave the labelling process untouched while increasing security by ensuring that unlabelled documents are excluded from storage in the public cloud.

The SFAO acknowledges that the current labelling system (incl. the obligation to apply a label) has been agreed with the departments and, given the advanced stage of the rollout, the project committee has decided not to change the labelling at this time.

The SFAO will explore the topic in greater depth as part of the "Audit of the key project Cloud Enabling Office Automation" (25121).