FIRST HAWAIIAN BANK

FIRST HAWAIIAN BANK ACHIEVES TARGETED ANALYSIS WITH ACL ANALYTICS EXCHANGE

The oldest and largest financial institution in the state, First Hawaiian Bank provides consumer banking services and trust, investment and insurance products through more than 58 branches. The company's internal audit department had applied ACL™ Analytics to several successful monitoring projects, and chose to implement ACL™ Analytics Exchange to further enhance productivity and performance. Working with ACL consultants, the audit team has designed several high-impact data investigations and will continue to develop a targeted monitoring program. Auditors can share scripts in the secure audit repository and provide permission-based access to other business units. ACL Analytics Exchange is a flexible, collaborative solution that will provide First Hawaiian Bank with significant value at every stage of the audit cycle.

Customer Profile

Founded in 1858, First Hawaiian Bank is the oldest and largest financial institution in Hawaii. The company has 58 branches throughout the state, plus three in Guam and two in Saipan, and provides commercial and consumer banking services; engages in equipment and vehicle leasing; and offers trust, investment and insurance products. With headquarters in Honolulu, First Hawaiian Bank is a subsidiary of BancWest Corporation, a regional financial services company with total assets of more than US $74.2 billion.

Challenges

First Hawaiian Bank employs 20 internal auditors who were relying on manual processes, such as testing and random sampling, to monitor critical data. They needed the ability to review full data populations and test 100% of corporate transactions. The team had also been using spreadsheet software to analyze information, and was eager to gain efficiencies throughout the audit cycle.

With their mainframe system outsourced to a third-party operations firm, First Hawaiian auditors have often struggled to access the data they need, when they need it—and to analyze that data in a usable format. The audit team wanted to implement monitoring in several business units, including the credit division and branch operations. They needed a solution that would maintain a reliable audit trail and store critical tests and audit tasks in a secure, well-managed location.

Solution

The First Hawaiian Bank audit department had already implemented ACL Analytics to streamline a number of internal activities. For example, they used the software to eliminate manual research and processing on credit card claims. The solution made it simple to access raw data stored as text files and convert it into a standard, reader-friendly format for deeper analysis.
Another project used ACL Analytics to pull raw data for the company’s trust fund manager, based on a series of designated filters. In the past, staff had to pull the accounts manually by scrolling through a 1,000-page report. With ACL, extracting key files took just minutes and saved hours of intensive and potentially error-prone manual labor.

Based on their success with ACL, First Hawaiian Bank implemented ACL Analytics Exchange and engaged consulting services to identify and prioritize their next steps. The consultants helped the team map the data and created a structure to manage the implementation process. Instead of simply diving in and writing scripts, the consultants helped the auditors gain greater data insight and developed an organized plan to roll out their analysis and monitoring program.

The two initial projects include testing penalty fee applications to deposit certificates withdrawn before their maturity dates, and interest payment monitoring on business accounts. Both these projects should provide significant business insight.

**Results**

The audit team intends to use ACL Analytics Exchange for every audit project—from planning through to reporting. Approved scripts are housed in the secure audit repository, where auditors can simply click on a selected project to launch the analysis. The team has already stored several key tests in the Analytics Exchange repository and will further exploit its capabilities as they work with other corporate business units. The repository enables the audit department to share and reuse data formats, audit tests and analysis logs without breaching critical security protocols or exposing confidential data.

Several First Bank of Hawaii auditors have also participated in ACL training programs, ranging from beginner-level data analysis instruction to advanced courses in fraud detection. This training has enhanced team efficiency and provided tools to help maximize their ACL investigations.

As the internal audit team applies Analytics Exchange to additional projects and business units, the goal is to use ACL for at least five full audits in the first year after implementation. Other projects will include testing savings accounts for negative balances and ensuring overdraft charges have been appropriately applied. Internal auditors will continue to automate manual processes and roll out a targeted continuous monitoring program. With ACL Analytics Exchange, audit staff have full data coverage without the limitations and business risks of manual sampling. It’s an efficient solution that will help tighten internal controls across First Bank of Hawaii’s corporate operations.

ACL Data Analysis for Teams enables First Hawaiian Bank to:

- Test complete data populations.
- Share scripts in a secure environment with the audit repository.
- Achieve effective monitoring and automated data testing.
- Grant permission based access to data and scripts.

“ACL consultants helped us overcome our data access challenges with an organized Analytics Exchange roll-out. Now we know how to prioritize our time and resources.”

— Gina Anonuevo, General Auditor