Redefining Internal Audit and Strengthening AML Compliance



L–R: Muzawwir Manzeer, Partner - Audit and Advisory, Deloitte Sri Lanka and President of The IIA Lanka; Chapter; Mayura Malagala, Human Capital Consulting, Engineering AI and Data and Growth Office Leader at Deloitte Sri Lanka and Maldives; Chathumin Gunarathne, Partner - Audit and Assurance at Deloitte Sri Lanka.



Manish Mandhyan, Executive Director - Forensic and Financial Advisory at Deloitte India; and K. V. Karthik, Partner and Leader - Forensic and Financial Crime Strategy, Deloitte India.

As Sri Lanka prepares for its upcoming Financial Action Task Force (FATF) review, the country's ability to strengthen Anti-Money Laundering (AML) practices will have a direct bearing on its financial credibility and investor outlook. Meeting these expectations is a regulatory necessity and a national interest. Deloitte, leveraging its global network and local expertise, has been actively supporting organisations in this journey. Through its participation as Platinum Sponsor at the tenth National Conference of the Institute of Internal Auditors (IIA) Sri Lanka and a dedicated client engagement, the firm shared practical insights from industry experts on how institutions can prepare for FATF requirements, strengthen governance, and build long-term resilience.

A key highlight of the IIA Conference was the session on AML Compliance. Muzawwir Manzeer, Partner – Audit and Advisory, Deloitte Sri Lanka and President, The IIA Lanka Chapter, underlined the urgency of the need for readiness, noting the importance of stronger internal controls, independent reviews, and the role of internal audit in ensuring compliance. Sri Lanka's experience with the last FATF review and being downgraded shows why it is so important to strengthen governance and compliance frameworks.

Manish Mandhyan, Executive Director – Forensic and Financial Advisory, Deloitte India, observed: "AML oversight is shifting from rule-based to risk-based. Regulators

now expect institutions to understand their risks and have effective controls in place. Third party assurance plays a critical role in testing those controls and ensuring preparedness.”

Other contributions at the IIA Conference included insights from Mayura Malagala, Human Capital Consulting, Engineering AI & Data, and Growth Office Leader at Deloitte Sri Lanka and Maldives, who spoke on technology risk and cybersecurity threats faced by corporates, and Chathumin Gunarathne, Partner – Audit & Assurance, Deloitte Sri Lanka, who shared perspectives on the imperatives of sustainability and transparent reporting.

Building on this theme, Deloitte hosted a client interaction session on ‘Advancing AML Compliance: Strengthening Internal Audit, Controls & Cybersecurity’. Muzawwir Manzeer made opening remarks, with technical sessions led by Manish Mandhyan and K. V. Karthik, Partner and Leader – Forensic & Financial Crime Strategy, Deloitte India. The event focused on the practical aspects of compliance, covering the Companies (Amendment) Act requirements, the CBSL’s regulatory changes, and its alignment with FATF standards. The session reinforced Deloitte’s role as a capacity builder for the internal audit and compliance professions by investing in knowledge sharing and training. Across the conference and event, Deloitte reinforced its commitment to helping institutions address complex regulatory demands by combining global resources with local knowledge. The firm’s professionals continue to guide clients in building stronger controls, enhancing governance oversight, and achieving compliance that drives confidence in Sri Lanka’s financial system.

As the FATF review approaches, Deloitte stands ready to support organizations in strengthening governance, managing risks, creating sustainable impact, and embracing technology, helping them confidently move forward.