October 18, 2007

SEI Recommends Systematic Approach to Compliance Risk Assessment and Testing

White Paper Suggests Ways to Improve Key Components of All Compliance Programs

OAKS, Pa., Oct. 18 /PRNewswire-FirstCall/ -- According to an SEI (Nasdaq: SEIC) white paper released today, improving compliance risk assessment and program testing should be top priorities for Chief Compliance Officers (CCOs). The paper reflects the SEC's increased focus on and scrutiny of compliance programs throughout the industry over the past year.

Titled Strengthening Your Compliance Fundamentals, the SEI white paper notes that the SEC has focused heavily on risk assessment in its CCOutreach Program and education efforts over the past year. Additionally, in various industry forums CCOs themselves have indicated they can be doing a better job in this area.

"There's a prevailing feeling in the industry that compliance programs can and should improve but there's not enough specific guidance in place about how to make that happen," said Jim Volk, Chief Compliance Officer for SEI's Investment Manager Services division. "With this paper, we've put together a set of issues for CCOs to consider as a guide to creating better risk assessment and testing processes."

Among the recommendations outlined, SEI suggests compliance personnel:

-- Inventory all activities to uncover potential risks, including those unique to individual firms.

-- Distinguish between perceived and actual risks. Personal trading by fund personnel, for example, is a high profile issue but may not pose a high compliance risk if effective controls are in place.

-- Take a quantitative approach to risk assessment. The white paper includes a Compliance Risk Rating Tool developed by SEI that guides compliance personnel in prioritizing risks based on various factors including the susceptibility to conflicts of interest and the effectiveness of mitigating controls.

-- Conduct risk assessments at the beginning of the annual compliance program review period and in advance of program testing.

-- Give fund board members and senior management an opportunity to discuss risk assessments before they are finalized.

-- Take a fresh look at compliance risks at least once per year. "While it may be tempting to simply dust off last year's assessment and assume it's applicable, it's dangerous to assume that your business hasn't

changed. Certainly the SEC will view that as a red flag," Volk cautioned.

The white paper also recommends more rigorous compliance program testing, saying that the CCOs should focus on high-risk areas and look for creative testing methods when conventional approaches aren't relevant.

Strengthening Your Compliance Fundamentals is jointly published by the SEI Knowledge Partnership, which provides ongoing business intelligence to SEI's investment manager clients, and ComplianceAdvantage, which provides compliance support and a range of services supporting the efforts of SEI's client CCOs. Excerpts of the paper can be found at www.seic.com/ims/General_Fundamentals.asp.

About SEI's Investment Manager Services Division

SEI's Investment Manager Services division provides total operations outsourcing solutions to investment managers focused on mutual funds, hedge and private equity funds, separately managed accounts and institutional client services. The division applies operating services, technologies, and business and regulatory knowledge to each client's business objectives. Its resources enable clients to meet the demands of the marketplace and sharpen business strategies by focusing on their core competencies.

About SEI

SEI (Nasdaq: SEIC) is a leading global provider of outsourced asset management, investment processing and investment operations solutions. The company's innovative solutions help corporations, financial institutions, financial advisors, and affluent families create and manage wealth. As of June 30, 2007, through its subsidiaries and partnerships in which the company has a significant interest, SEI administers $407 billion in mutual fund and pooled assets and manages $199 billion in assets. SEI serves clients, conducts or is registered to conduct business and/or operations, from more than 20 offices in over a dozen countries. For more information, visit www.seic.com.

Contact:	Dana Grosser	Jason Rocker
Company:	SEI	Braithwaite Communications
Voice:	610-676-2459	215-564-3200 x 110
E-mail:	dgrosser@seic.com	jrocker@braithwaitepr.com

SOURCE SEI