

**CGA-Canada Accounting and Governance Research Centre and the
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DISTINGUISHED SPEAKER SERIES

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A first class honours Science graduate of University College Dublin, Prof Niamh Brennan qualified as a chartered accountant with KPMG, holds a PhD from the University of Warwick and is a Chartered Director with the Institute of Directors (London). Prof Brennan is Michael MacCormac Professor of Management at University College Dublin and Academic Director of the UCD Centre for Corporate Governance. She has published widely on Financial Reporting, Corporate Governance and Forensic Accounting in journals such as the *Accounting Auditing and Accountability Journal*, *Corporate Governance: An International Review*, *Journal of Business Ethics* and *Journal of Business Finance and Accounting*.

Topic: «Reconceptualising Effectiveness of Investment Fund Boards: The Critical Role of Fund Promoter Organisations» (with Margaret M.Cullen)

Abstract:

There is an absence of literature theorising the operation of investment fund boards beyond Fama and Jensen's (1983) seminal conceptualisations on financial mutuals. Prior research does not adequately take account of their unique contextual features and unquestioningly transfers assumptions from corporate boards to investment fund boards. This has resulted in ambiguous empirical evidence on investment fund board effectiveness. This study applies grounded theory methodology to generate new theoretical perspectives on the operation of investment fund boards. Twenty-five in-depth interviews and one focus group session were conducted with investment fund directors. The theoretical framework of the role and effectiveness of investment fund boards reflects three key findings contrary to assumptions in prior research. First, oversight, rather than the control and monitoring role synonymous with corporate boards, is the dominant role of investment fund boards. Second, behavioural (executive and non-executive director), organisational (fund promoter) and regulatory traits are critical in influencing investment fund boards' effective execution of their oversight role. Finally, because of their unique position of power, fund promoter organisations are the most important influence on investment fund board effectiveness.