



Financial Capacity of First Nations in Canada

Governance: Indigenous Perspectives

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This article analyzes the financial capacity of First Nations in Canada using as a tool the data contained in the audit information uploaded to the First Nation Financial Transparency Act (FNFTA) website for the fiscal years between 2013-2014 and 2016-2017. In our analysis we tackle two connected questions: what type of financial issues are First Nations dealing with as a whole and second, whether there has been a measurable change over the period of the FNFTA in the issues reported by auditors. To do so we have created a series of categories that speak to the financial health of First Nations in various critical areas such as budgeting, expenditures and revenues, accounting standards, and reporting on capital assets.

This data presents an image of First Nations finances and fiscal management much different from the one usually emerging from the media or political commentary: by and large First Nations manage their finances well; financial management issues tend to be concentrated in a small minority of First Nations and a few areas often recur as critical. At the same time, since the introduction of the Act, we notice a robust decline in both the total number of qualified audits and in the number of highly significant financial management problems.