



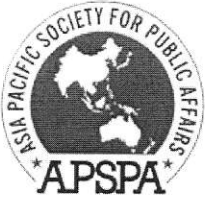
Asia Pacific Society for Public Affairs

A forum for exchange of ideas among practitioners and academics



Introduction

Looking back to the nations of the Asia-Pacific today, both from the government and its own people, appeared to be not fully prepared for the new era that always new (modo) and global which information disclosure in very quick and wide, as well as the fusion of physical boundaries be unity in the world of information technology. There needs to be public discourse, communication, and information and cooperation between elements to realize the modern nations were innovative in the cross field of education with easy access to information and equality. The role of government in the MDGs may be improving people's welfare so that all the nations in the Asia-Pacific was able to get the better life through cross-educational approach.



Asia Pacific Society for Public Affairs

A forum for exchange of ideas among practitioners and academics



Committee Management

EXECUTIVE COMMITTEE/COUNCIL FOUNDER

Assoc. Prof. Ahmad Martadha Mohamed, PhD (Universiti Utara Malaysia)

Assoc. Prof. Dr. Ahmad Nurmandi (Universitas Muhammadiyah Yogyakarta)

Prof. Suhnyuk Kim, PhD (Korea University)

Prof. Dr. Azhari A. Samudra (Universitas Krisnadwipayana)

Prof. Amporn Tamaronglak, PhD (Thammasat University)

Prof. Dr. H. Nyoman Sumaryadi (Institut Pemerintahan Dalam Negeri)

Prof. Dr. David N. Almaraz, D.M. (IIT-Mindanao State University)

BOARD OF EXPERTS

Prof. Darwin J. Manubang (Mindanao State University)

Prof. Jin-Wook Choi, PhD (Korea University)

Prof. Piyakorn Whangmahaporn, PhD (Sripatum University)

Prof. Dr. Sapia Moalam Abdulrahman (Mindanao State University)

Prof. Dr. Chrishtoph Behrens (Kiel University/Universitas Muhammadiyah Yogyakarta)

Prof. Dr. Wirman Syafri Sailiwa (Institut Pemerintahan Dalam Negeri)

Halimah Abdul Manaf, Ph.D. (Universiti Utara Malaysia)

ACTING COMMITTEE**PRESIDENT**

Professor Amporn Tamaronglak, PhD (Thammasat University)

GENERAL SECRETARY

Professor. Dr. Ahmad Nurmandi (Universitas Muhammadiyah Yogyakarta)

SECRETARY FOR PUBLICATION

Assoc. Prof. Dr. Sataporn Roengtam (Khon Kaen University)

TREASURY

Assoc. Prof. Dr. Dyah Mutiarin, MSi (Universitas Muhammadiyah Yogyakarta)

HEAD OF ACCREDITATION BOARD

Assoc. Prof. Dr. David N. Almarez (MSU-Iligan Institute of Technology)

Assoc. Prof. Eko Priyo Purnomo, S.IP., M.Si., M.Res., PhD (Universitas Muhammadiyah Yogyakarta)

PUBLIC RELATIONS

Prof. Piyakorn Whangmahaporn, PhD (Sripatum University)

Dr. Abdullah Sumrahadi (Universiti Utara Malaysia)

JOURNAL PUBLICATION

Assoc. Prof. Ahmad Martadha Mohamed, PhD (Universiti Utara Malaysia)

Dr. Rohana Ahmad (Universiti Terengganu Malaysia)

 [Apply for Membership \(http://apspa.org/registration/\)](http://apspa.org/registration/)

Contact

If you have any questions or something, contact us immediately.

Your Email *)

Subject of Your Message *)

Content of Your Message *)

Submit



()



()



()



()



()



()



()



()



()

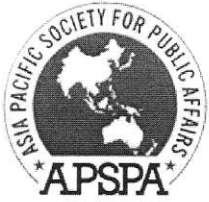


()

Thammasat University

Tel: +62-274 387656 | Fax : +62-274 387646 | Website: www.apspa.org | Email: apspaorg@gmail.com | Twitter : @APSPA_Official

Copyright © Asia Pasific Society for Public Affairs. All Rights Reserved



Asia Pacific Society for Public Affairs

A forum for exchange of ideas among practitioners and academics



Collaborations

INTERNATIONAL DISCUSSION SERIES

On the 6th December 2013, has held the first International Discussion Series at Japan. With the theme "Regional Development from the Creative Industries, Culture and Urban Economic Coop-Based Management" these activities are successfully managed and followed by a group of scientists and experts from Nara Prefectural University and Asia Pacific Society for Public Affairs which resulted in the publication of the book sourced from related discussions.

GOVERNMENT INNOVATION CENTER

Strategically innovative principles policy approaches that controlled by each actor became an important of the public leader, because the leadership position in this sector plays a very vital role. Interests and needs of the policy makers should also pay attention to the current information flow from all aspect. Academic Society is part of a system of government in which there is a wide range of actors. Then to support the creation of a strong leader in the leadership at the national and regional levels Asia Pacific Society for Public Affairs and Institut Pemerintahan Dalam Negeri agreed to establish the continues learning and research center named Government Innovation Center (GIC) on 20 March 2014.

 [Apply for Membership \(http://apspa.org/registration/\)](http://apspa.org/registration/)

Contact

If you have any questions or something, contact us immediately.

Your Name *)
Your Phone Number
Your Email *)
Subject of Your Message *)
Content of Your Message *)

Submit



()



()



()



()



()



()



()



()



()



()

Thammasat University

Tel: +62-274 387656 | Fax : +62-274 387646 | Website: www.apspa.org | Email: apspaorg@gmail.com | Twitter :
@APSPA_Official

Copyright © Asia Pasific Society for Public Affairs. All Rights Reserved



Asia Pacific Society for Public Affairs

A forum for exchange of ideas among practitioners and academics



FAQ

Frequently Asked Questions

Asia Pacific Society for Public Affairs (APSPA)

Type	Questions	Answers
Registration	is APSPA membership only for lecturers?	you can apply a membership of APSPA as individual or part of institution

	is the expertise of APSPA members only in the field of public administration and governmental science?	for the majority member of APSPA come from Public Administration and Governmental Science's expertise. But if you have more spesific expertise of your field related with governmental sciences and public administration, you can apply as an APSPA member
Membership	After become an APSPA member, how the status of membership will be worked?	All members are asked to pay an annual fees or can also pay once for lifetime. Each member will get a membership certificated and access to every activity of APSPA such as Journal publication in International Journal, International Workshop and all activities around Asia Pacific Area. for joining as member please fill the form here (http://apspa.org/form-membership/)
	is there any notes and legality for the institution who was send the lecturers details to join as APSPA member ?	if you are applied as individual you can get a certificated as the individual member, while if you are applied as the institution, then the certificated is under your name institution.
	How much the cost for joining as member ?	for the detailed information regarding the payment, please click here (http://apspa.org/registration-guide/) for further information
Collaboration	is there any research collaboration as an APSPA Member ?	For sure, research collaboration as the products of APSPA, all the member and expertise board or executive board can applied and make memorandum of agreement for joining in research collaboration accreditation is the one of APSPA Product. All the department or faculty from public administration and governmental sciences can applied to our accreditation product. Accreditation by APSPA are recognize by Kemenristekdikti as an accreditation agency in indonesia and QStar from international Accreditation
Accreditation	is there any accreditation activity from APSPA ?	APSPA accreditation will be works depend on the readiness of thus institution who were applied.
	in conducting an accreditation, does APSPA has own schedule timeline or its adjusted by the institution who will applied?	APSPA accreditation will be works depend on the readiness of thus institution who were applied.
APSPA Benefits	what is the strenghteness of APSPA ?	APSPA has many products such as accreditation, joining research, research collaboration, publication, international workshop, and international conferences that connected with each university between local university and international university.
Others		

 [Apply for Membership \(http://apspa.org/registration/\)](http://apspa.org/registration/)

Contact

If you have any questions or something, contact us immediately.

¹MAKING PERFORMANCE-BASED BUDGETING WORKS IN SOME LOCAL GOVERNMENTS OF INDONESIA

Dyah Mutiarin and Achmad Nurmandi

Jusuf Kalla School of Government, Universitas Muhammadiyah Yogyakarta

dyahmutiarin@umy.ac.id

nurmandi_achmad@ymail.com

Abstract

After the political reform in 1998, Government of Indonesia have implemented performance-based budgeting. This schema requires the existence of strategic plan and its clear indicators of each program. This paper try to investigate the implementation of performance based budgeting in some local governments. Performance indicators used are input, output, outcome, benefit and impact. Comparative study of local government of Indonesia pointed out that implementation of a performance-based budgeting facing constraints both internal and external factor, namely the limitation of funds, limited human resources, weak support of legislative institutions and the limitations performance data. From the results of this study the author can recommend that theoretically the implementation performance management in government organization of developing countries requiring internal support organizations and political support from the local council. Practically, although Indonesia already has a complete performance-based budget regulation, but local implementation of budget policy on the ground are facing locally factor constraints.

Keywords: Performance, Public budget, Performance-based budgeting, Performance Indicator.

I. INTRODUCTION

I.1. Background

Indonesian government has initiated budgeting reform since 1998 by revising finance law act on budget process both at national government level and local government level. Law No. 17/2003 on State Finance System was one important law created by National Government with international support funding such as World Bank. One most important implication of this law is introduction of new budget system in government organisation as titled performance-based budgeting: a new system is rooted from New Public Management philosophy.

¹ Presented at International Conference of Public Organization, Bali 21st, 2013

Budgeting system in government organisation is assumed as a private organisation budgeting system in which organisation is to record, measure, present the economic data of organisations, accounting technology plays central role (Harun and Kamase, 2012, p. 38). However, a formal adoption of accrual accounting system in performance-based budgeting is not automatically bring intended outcomes as officially stated (Harun and Kamase, 2011, p. 36). Carlin (2005), Christensen (2007), and Connolly and Hyndman (2008) have criticized on actual benefit accrual accounting for government organisation. Groot and Budding's study found that accrual accounting system should be 'translate' into more familiar to politicians.

Tabel 1. Perception on Budget in accrual accounting system

Statements and Group responses	Mean^{a)}	n
1 <i>The increasing demand from society for an effective and efficient service provision by the government, combined with the so-called development of the emancipated citizen, will lead to a rapid implementation of improved information provision, which is supported by accrual accounting. Therefore, in the year 2010 all government bodies in my country will be using accrual accounting</i>		
a Central government	2.44	27
b Local government	3.22	23
c Education	2.78	18
d Nonprofit organisations	3.33	12
e Profit	2.95	19
2 <i>Decision making in government will still be based on cash accounting, even if accrual accounting is implemented</i>		
a Central government	3.64	28
b Local government	3.14	21
c Education	3.89	19
d Nonprofit organisations	3.86	14
e Profit	3.59	17
3 <i>There will be the need for political adaptation (e.g. "new cameralistic accounting") or use of financial statements will further decrease</i>	3.77	90
4 <i>Accrual accounting will only survive in business-like parts of government</i>	3.40	90

a): response categories: (1)=fully disagree; (2)=disagree; (3)=neutral; (4)=agree; (5)=fully agree.

Source: Tom Groot and Tjerk Budding, *New Public Management's current Issues and future prospect*, www.ssrn.com

In this decade, performance based budgeting (PBB) and medium-term

expenditure frameworks (MTEF) became the wide range of reforms in most countries in the world. This reforms, PBB particularly to make the fiscal policy more efficient, effective and brings benefits for people at large. Kasek and Webber (2009) stated that Medium-term expenditure frameworks (MTEF) have been developed and refined by many countries to help build fiscal policy credibility and predictability via a more strategic, multi-year, budget planning perspective. At the same time, performance-based budgeting (PBB) concepts and methods have been especially important in many countries in bringing an increased focus on the results sought and achieved from government spending.

Indonesia has been implementing performance based budgeting (PBB) since 2003. The enactment of Law Number 17 of 2003 on State Financial became a new legal framework for public management, including for PBB. This law were adopted for budgeting, planning, treasury operations, and external audit respectively. The effort to use performance budgeting in state government is still in process in setting up the performance measurement system and preparing the regulation to support the program. Although in some local governments performance budgeting has been initiated by having assistance from some Non Governmental Organizations (NGO), the standardized benchmarking performance measurement system is still not available. Past initiatives to implement a government performance evaluation tool had always failed because the government itself was not serious or even some feel reluctant to implement it (Syukri, 2005).

Eventhough, it is more than a decade, Government of Indonesia implementing the PBB, but the result of the PBB is still weak, and sometimes in a low correlation with strategic planning as the basis of PBB formulation. However,

the biggest challenge to implement the performance budgeting in local government is lack of understanding of the concept of performance budgeting. Several other issues faced by local government are lack of general guidelines for local planning; delayed release of new guidelines for local budgeting and financial management; vague expenditure planning; and lack of qualified local planning and budgeting officials (Ringoringo in Syukri 2005).

President of Republic of Indonesia Susilo Bambang Yudoyono in his Presidential Address On State Budget 2012 was highlighted the importance of improving the quality of state expenditures by the implementation of performance-based budget and medium-term expenditures framework. This also take note the efforts to improve the spending quality of ministries and institutions as well as to enhance the state and local finance management, implementing the performance-based budgeting and the mid-term spending scheme are important.

Other data about the weak implementation of PBB shown from many problems in public budget. Both the State Budget (APBN) at the Central Government and Local Budget (APBD) at the local level are both experiencing a lot of problems. Data from proposed APBN 2013 has shown that personnel expenditure absorbed 21.2 percent of the total Central Government Expenditure amounted 1139.0 trillion, and ranks second only to the subsidy amounted to 316,097.5 trillion rupiah. Meanwhile budget allocations for functions of education, health, social services and economic services is only 3.9% of GDP for 2010. This shown that PBB was not fully working in order to reach the goals of better fiscal policy (Mutiarin, 2012).

In Indonesian case, performance-based budgeting system faces political challenges. The process of governmental accounting reform is characterized by rivalries and alliances amongst reform drivers. This confirms the political nature of the process of accounting policy formulation found in the extant literature of accounting policy setting (Marwata, Manzurul Alam, 2006). Harun and Robinson's study found that the public sector accounting reforms in the country are confronted with significant implementation barriers which include legal issues, the lack of political supports, and skilled human resources. These barriers in turn threaten the intended purposes to be achieved through the greater economic and public sector reforms in the newly democratic Indonesia.

In this study, we try to explore application of accrual accounting system namely performance-based budgeting system in Indonesian local government. Paper will be divided into fourth sections: first section on introduction, second section on theoretical background, third section on methodology, fourth section on analysis and discussion, fifth section on conclusion and its implication.

I. 2. Problem Statement

- a. How is the implementation of performance based budgeting (PBB) in some local governments in Indonesia.
- b. What are the constraints both internal and external factor of the implementation of PBB.

I.3. Aim of the research

Considering the implementation of PBB in Indonesia, this paper described the implementation of performance based budgeting in some local government and also to describe the constraints both internal and external factor of the implementation of PBB.

II. THEORETICAL FRAMEWORK

NPM development begins in the late 1970s and early 1980 under Prime Minister Margaret Thatcher in United Kingdom in some municipal government in USA (Gruening, 2001 in Groot and Budding, 2008). In Indonesia NPM idea begins to apply in government organisation since 2001. NPM has been influenced by an eclectic variety of ideas, coming from different disciplines, like public choice theory, management theory, classical public administration, neoclassical public administration, policy analysis, principal-agency theory, property right theory, the neo-Austrian school, the transaction-cost economy (Gruening, 2001). One idea of NPM is to replace cash traditional accounting to accrual accounting principles.

In response to idea of NPM, one of the attempts is to fundamentally restructure the budget management system. Shifting from the previous view of highly centralized budget management focused primarily on resource allocation and input control to a new budget management model, called “performance budgeting,” aimed to create a direct linkage between allocating resources through the budget and performance integration in reaching stated objectives has become a prominent reform. The idea of performance budgeting in the United States was initiated in the 1950’s based on Hoover Commission recommendation. However, changes in administration have also created changes in the budget management system. From the Hoover recommendation, to Planning, Programming and Budgeting System (PPBS), Management by Objectives (MBO), Zero Based Budgeting, and finally Performance Based Budgeting has enriched the evolution of using performance measurement in budgeting process.

The Government Performance and Results Act (GPRA) is the recent attempt of introducing performance-based management and budgeting techniques

in the United States (Syukri, 2005). The strategic plan must contain a description of how the agency intends to achieve the general goals and should cover the overall approach that will be taken over the time period covered by the plan, including a schedule for significant actions and the needed resources. It should indicate how the goals of the annual performance plans will be used to measure progress in achieving the general goals of the strategic plan, and the underlying basis for any assumptions or projections (Syukri, 2005).

Public budgeting systems are intended to fulfill several important functions. These functions include setting budget priorities that are consistent with the mandate of the government, planning expenditures to pursue a long-term vision for development, exercising financial control over inputs to ensure fiscal discipline, managing operations to ensure efficiency of government operations, and providing tools for making government performance accountable to citizens. (Shah and Shen, 2007: p. 138).

Two reforms – performance budgeting and medium-term expenditure frameworks – have been central elements in improving the management of public finances. Medium-term expenditure frameworks (MTEF) have been developed and refined by many countries to help build fiscal policy credibility and predictability via a more strategic, multi-year, budget planning perspective. At the same time, performance-based budgeting (PBB) concepts and methods have been especially important in many countries in bringing an increased focus on the results sought and achieved from government spending (i.e. getting better value for money). PBB and MTEF reforms, implemented together, have the potential to significantly raise the quality and consistency of forward estimates of public expenditures through their common use of policy-based expenditure programs and

program- and activity-based costing methodologies. The result is more credible future budget commitments, more efficient expenditure prioritization and increased consensus around what fiscal policies are seeking to achieve. Medium-term expenditure frameworks provide a link between the allocation of budget expenditures according to policy priorities and the fiscal discipline required by budget realities. Some of the concepts underpinning the MTEF also overlap with the PBB approach and help to improve program performance through better predictability in resource flows to programs, planning beyond one year horizons and by managers searching for higher value of public money (Kasek and Webber, 2009).

Beside preparing the annual budget by using performance information (PPB), budgeting also calculates the budget implications for all programs and activities that will occur in the next years through the application of the Medium-Term Expenditure Framework (MTEF). MTEF is a comprehensive approach to facilitate calculation of budget implications for few coming years. The calculation of budget implications or forward estimate in the MTEF shall use the parameters that maintain the actuality of budget calculation so that it can be used as the basis for the preparation of the next year's budget.

The implementation of MTEF brings a new terminology in the budgeting process, namely Baseline and New Initiative. Baseline is an indication to the forward estimate ceiling of the repetitive activities and / or multi-year activities based on the stipulated policy and becomes as reference to the preparation of the Indicative Ceilings of the planned budgetary fiscal year made when preparing/arranging the budget. While the New Initiative for new policy or the change in the running policy that led to any budgetary consequence, both at the

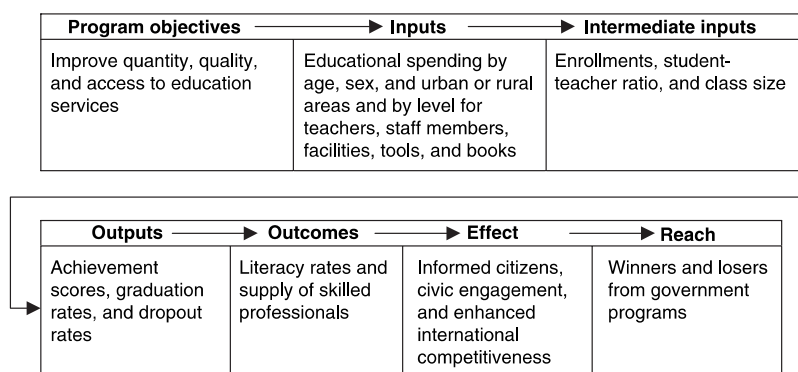
baseline budget and in the future budget. The New Initiative may be in form of addition of program (focus on priority) / new outcome / new activity / new output, addition of target volume, or acceleration in the achievement of targets (TIBO, 2011).

Shah and Shen (in Shah, 2007) conclude that performance budgeting is a useful tool for performance accountability and budget transparency in line (sectoral) ministries but of limited relevance for ministries performing central policy functions such as the ministry of finance or the ministry of foreign affairs. Furthermore, in the absence of an incentive environment for better performance or results-based accountability, the introduction of performance budgeting may not lead to improved performance. Managerial accountability must be on outputs and not on outcomes, because the latter are influenced by external factors. Outcomes, however, should be monitored. Performance budgeting cannot be expected to be a mechanistic, rational system that replaces the political process of making resource choices in a complex environment of competing demands. Instead, it has the potential of facilitating informed political choices. Transparency of the budget and citizens' evaluation of outputs, if these are embodied in performance budgeting, can be helpful in improving budgetary outcomes. Performance budgeting is a costly exercise, but it has the potential to yield positive net benefits if accompanied by a performance management culture and results-accountability to citizens (Shah, 2007: p. 8).

In comparison to traditional line item budgeting, performance budgeting allows for more flexible use of fiscal resources and enhanced accountability for results. The performance budget shifts the focus of discussion from detailed line items to achievement of specific service delivery objectives and, therefore,

facilitates informed budgetary decision making. Performance budgeting increases managerial flexibility by giving the program or department manager a fixed lump sum allocation that may be used for various needs to achieve the agreed-on results in service delivery. Public managers enjoy increased managerial discretion but are held accountable for what they achieve in service delivery performance (Shah, 2007).

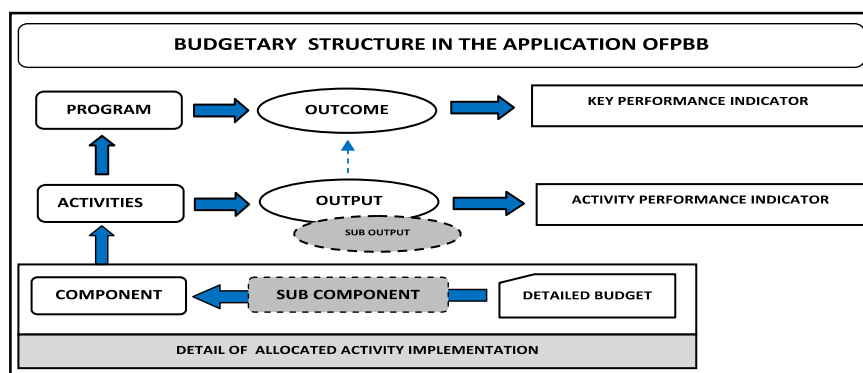
Figure 1. Performance Budgeting Results Chain



Source: Shah 2005: 217.

Performance-Based Budgeting (PPB) is an approach in the budgeting system observing the linkages between the expected performance and financing (budget), and considering the efficiency in the achievement of such performance. What is meant with performance is a working achievement that is the output of an activity or the result of a program with a measurable quantity and quality. The purpose of applying PBB (Performance-Based Budgeting), and the instruments used, it can be concluded that operationally the prime principle of applying the PBB is the existence of a distinct linkage between the policies contained in the national planning document and the budgetary allocation administered by the Ministries/Agencies (M/A) according to its roles-functions (as reflected in the Ministries/Agencies' organizational structure.

Figure 2: Budgetary Structure in the Application of PBB



Source: TIBO, 2011

The PBB structure is formulated through three components, i.e.:

1. Performance Indicator – a tool to measure the success of a program or activity.
2. Standard cost is a unit of cost defined either in form of the standard cost of input or in form of the standard cost of output as the references to the calculation of budget requirements;
3. Performance evaluation is assessments on the efficiency and effectiveness in the achievement of performance targets, the consistency of planning and implementation, as well as the realization of budget absorption

Tabel 2. Logical framework and components of PBB

A. LOGICAL FRAMEWORK
<ol style="list-style-type: none"> 1. Money Follows Function, Function Follows Structure: Budget allocation to fund an Activity is based on the duty and functions of a Work Unit. The duties and functions of an organisation are completely covered by the duties and functions of each Work Unit without duplication. 2. Let the Manager Manage: Once the output of the Activity and outcomes of the Program have been specified, the Work Unit determines the method of implementation. 3. Accountability: The responsibility and thus accountability for each Activity and Program is clearly related to the respective Work Unit and Organisation and their leadership. 4. Top-Down and Bottom-Up Views: The planning perspective is top-down, with planning and policy set by the highest policy-maker in government but implemented ultimately by the Work Unit. The budget perspective is bottom-up, because the budget is allocated to implement Activities, which collectively achieve the Program outcomes, which together relate to national development impacts.
B. COMPONENTS
<ol style="list-style-type: none"> 1. Performance Indicators: A tool to measure the success of a Program or Activity, specifically: (i) <i>Program Main Performance Indicator (IKU Program)</i> – assesses Program performance; (ii) <i>Activity Performance Indicator (IK Kegiatan)</i> – assesses Activity performance; and (iii) <i>Performance Indicator</i> – assesses performance of a Sub-Activity. 2. Cost Standard: A standard of input cost used in early stage of planning for PBB, and later used as a standard for comparing output cost. A General Cost Standard (SBU) applies across all agencies; a Special Cost Standard (SBK) is specific to a specific agency and program. 3. Performance Evaluation: Process of assessment and problem-solving to provide feedback for improving performance quality in terms of <i>efficiency</i> (actual v. planned use of resources) and <i>effectiveness</i> (actual outcome v. target).

Source : Directorate of Highways GOI, 2010.

A fundamental understanding shall be required in the preparation of budget on the lines of thought:

1. The linkage between the activity and the protecting program.
2. The activity produces a performance, namely output in form of goods or services.
3. Performance indicator is a measuring tool for assessment of activity performance.
4. The activity is supported by the input component in its achievement.
5. The linkage of activity output with the way to achieve through the interconnected Component among the components as a stage in the framework of achieving Output, so any irrelevant stage of activity (component) is not found (TIBO, 2011).

To implement PBB, strong and consistent political support from the legislature is critical for performance budgeting initiatives. Pursuit of internal rationality and efficiency criteria without regard to the political environment would jeopardize such initiatives. Legislators should be involved in establishing performance goals, developing performance indicators, monitoring the performance process, and evaluating performance results. Performance budgeting is unlikely to succeed if the executive and legislative branches have different ideas about the need for and objectives of the reform. Aside from legislative participation on a limited scale, support from outside the administration is also necessary. Performance reforms should provide direct benefits to government stakeholders in exchange for their support (Wang 2000 in Shah, 2007).

Without at least some degree of public involvement, performance budgeting risks becoming an internal bureaucratic exercise detached from what the citizenry views as important. Moreover, in the absence of citizen support and assistance, managers and staff are unlikely to understand the potential value of a results-oriented approach or to effectively implement and use it (Perrin 2002: 11, in Shah 2007).

The role of legislative also stated in principal agent theory . Agency theory has been used to explain the complex relationships between various government agencies. The relationship between the public as voters with the executive government, the relationship between the legislature with the executive, and the relationship between government superiors and subordinates, has also been described by using the theory of agency (Mulgan, 2000; Shi & Svenson, 2002; Lupia, 2001 in Fadzil and Nyoto, 2011). In government organizations, especially between the national government and the local government, there is a principal agent relationship, where the national government is a principal and local government as an agent. The relationship appears first with the regional autonomy where local government is the existence of a political process. Local government leaders are directly elected from the electoral process area (local election). However, Indonesia as a unitary state, the local government is responsible, in addition to the local community as a voter, but also responsible to the national government (in Fadzil and Nyoto, 2011).

Parliament is deeply involved in every stage of the budget process, from the earliest budget formulation stages to budget implementation. Parliament has unlimited powers to amend the budget proposal submitted by the government. Indeed, Parliament does amend the budget, sometimes significantly. Parliament's scrutiny tends to focus more on detailed line items than overall budget policy and strategic priorities. Parliament is hampered by its lack of capacity in this area, reflecting its history of non-involvement in the budget process (Blondal, Hawkesworth and Deok Choi, 2009).

Blondal, Hawkesworth and Deok Choi (2009) stated that legislative/parliament interacts extensively with the government throughout the

budget process:

- a. approving overall fiscal policy orientation and preliminary budget ceilings;
- b. holding informal discussions between ministries and agencies and their respective
- c. sectoral commissions on contents of budget proposals;
- d. approving the government's formal budget proposal;
- e. approving detailed budget implementation guidance.

III. Research Methodology

Methodology refers to a set of systematic ways in finding necessary data to explain particular phenomenon. This paper is using a descriptive qualitative approach to explain the implementation of PBB in selected local governments.

With regards to this research, several activities were conducted in order to collect perspective, information, and facts related to the implementation of the PBB in selected local government those are Yogyakarta Special Province and Jakarta Capitol Special Region (DKI Jakarta), which just has a new elected Governor (Joko Widodo) and Vice Governor (Basuki Tjahaja Purnama). These primary and secondary data become the basis of assessment of this research. This analytical framework is meant to guide the whole process of describing PBB, especially in how the implementation of PBB in 2 selected provinces.

Most of the data in this study is qualitative in nature. This implies that the analytical approach of this study is derived from qualitative research methods. What is meant by qualitative data or the qualitative analytical approach in this study is that we will not be using much parametric instruments and inferential statistics in the ways quantitative methods are usually conducted. However, some descriptive statistics, for example, may still be useful in undertaking the analysis.

Following common categorisation, data in this study can be classified into two kinds: primary and secondary. The primary data is collected from the opinions, testimonies of eyewitness, revealed experiences, etc. In this study, interviews were undertaken with the local legislative and executive such as local government agency and civil society representatives in the form of open discussions. The secondary data were traced from government annual report and the local government medium term planning. Beside those main data, this research also explore how are the: process of participatory budget formulation, targets in performance-based budgeting, and also budget analysis.

V. DISCUSSION

Indonesia is a unitary state with a decentralized system of regional government. The national budget (APBN) is the preserve of the central government and the DPR. Budgets at the sub-national or local government level are called APBDs: there are currently 529 separate APBDs produced by local governments and approved by elected local consultative assemblies (known as DPRD) in each region; consistent with the unitary nature of the Indonesian State, APBDs also require central government (specifically the Ministry of Home Affairs) approval before implementation (Seknas Fitra, LBS, 2010).

Guidelines for the formulation and adoption of local government budgets are laid down in Minister of Home Affairs regulation No. 13/2006 concerning “Guidelines for Management of Local Finances” and various ministerial edicts since then. Processes at the local level mirror those used for State budgets. The following tables provide details of key local government budget documentation and the timetable set for various stages of the budgetary process.

Table 3. Key Local Government Budgetary Documentation

Planning Phase	Discussion Phase	Implementation Phase	Accountability Phase
<ul style="list-style-type: none"> Local government work plans (RKPD) Work plans of local government work units/departments (SKPDs) 	Basic Budget Policies (KUA) and provisional budget priorities & funding levels (PPAS) Budget and work plans of each local SKPDs	Local regulation adopting local budget (APBD) Local head of government (HoG) regulation outlining details of APBD Budget implementation checklist (DPA) for each local SKPD Local government regulation adopting revised local budget (APBD-P) Local HoG regulation providing details of APBD-P	<ul style="list-style-type: none"> Report on first semester budget outcomes Local regulation on accountability of APBD implementation Information on report on implementation of local governance (ILPPD) Reports on implementation of local governance (LPPD) Local government accountability report (LKPJ)

Source: Overview of Indonesian Budgetary Processes –SEKNAS FITRA, 2010

Table 4. Schedule of Activities Carried out during Budget Planning Year

Month	Week			
	I	II	III	IV
June	Preparation of draft KUA	KUA submitted to DPRD	Discussion of KUA	
July	Adoption of KUA	PPAS submitted to DPRD	Discussion of PPAS	Adoption of PPAS
August	Preparation of “Budget & Work Plans” of local government work units (RKA SKPD)			
September	Compilation of RKA SKPD		Compilation of draft local budget (APBD)	
October	Draft APBD submitted to DPRD	Discussion of draft APBD		
November	Discussion of draft APBD			
December	Adoption of APBD	Evaluation of adopted APBD by provincial government and the Ministry of Home Affairs		

Source: Overview of Indonesian Budgetary Processes –SEKNAS FITRA, 2010

Indonesia starts the application of budgetary reformation by changing the legal basis used in the budgeting process, namely the Laws No.17 of 2003 on State Finance. The legal basis for applying Performance-Based Budgeting (PBB) in Indonesia, beside Law 17 (2003) on State Finance, were Law 1 (2004) on State Treasury, Law 15 (2004) on Inspection of the Management and Accountability of State Finances, Law 25 (2004) on National Development Planning System, Government Regulation 21 (2004) on Guidelines for the Formulation of Work Plans and Budgets of State Ministries/Agencies (RKA-KL), and Regulation 20 (2004) on Government Work Plans. Such Laws (UU) mandates the implementation of the three budgetary approaches, namely: Integrated Budgeting,

Medium-Term Expenditure Framework (MTEF), and Performance-Based Budgeting (PBB). In practice, the abovementioned approaches focus on the PBB. Both of the other approaches (Integrated Budgeting and MTEF) supports the application of PPB. The integrated budgeting approach is a PBB's application requirement. While the MTEF approach is a guarantee of continuity for providing activity budget due to having been designed for three or five coming years (TIBO, 2011).

Table 5. Structure of Local Government Budget

INCOME	SPENDING
1. Local Own-Source Revenue (PAD) <ul style="list-style-type: none"> a. Local Taxes b. Local fees and charges c. Locally Owned Enterprise Profits d. Other Lawful Own-Source Revenue 2. Regional fiscal transfers from the Center <ul style="list-style-type: none"> a. Revenue Sharing Fund (DBH) b. General Allocation Fund (DAU) c. Special Allocation Fund (DAK) 3. Other Lawful Own-Source Revenue (LPDS) <ul style="list-style-type: none"> a. Grants b. Emergency Funds c. Share of Tax Revenue from province & other local governments (pemda) d. Adjustment and Special Autonomy Funds e. Fiscal Aid from prov. & other pemda. f. Other Lawful Local Revenue 	1. Indirect expenditure (BTL) <ul style="list-style-type: none"> a. Personnel b. Interest c. Grants d. Social aid e. Payments of shared revenue to prov./other pemda/villages f. Fiscal aid to prov./other pemda/villages g. Unanticipated spending h. Other 2. Direct expenditure (BL) <ul style="list-style-type: none"> a. Personnel b. Goods & services c. Capital items
SURPLUS/DEFICIT	
FINANCING-RELATED INCOME	FINANCING-RELATED OUTGOINGS
1. Previous year's budget surplus (SiLPA) carried forward 2. Liquidation of reserve funds 3. Proceeds from sale of local assets 4. Interest on local government loans and bonds 5. Repayments of capital of locally lent funds 6. Receipt of repayment of debts owing 7. Other receipts	1. Establishment of reserve funds 2. Local investment 3. Repayment of loan capital 4. Provision of local loans 5. Other outgoings
NET FINANCING	
BUDGET SURPLUS	

Source: Local Budgets Study 2010, Seknas Fitra, 2010.

In this analysis of Performance Base Budgeting, the assessment covered:

1. Vision and mission of Local Government
2. Annual Planning
3. Annual Indicator and Target
4. Annual Target and Achievement
5. Annual Budget

5. 1. Performance Base Budgeting in Special Province of Yogyakarta (DIY).

In the DIY Mid Term Development Plan (RPJMD) 2009 - 2013 the vision of development defined as "become a catalytic local government and toward an excellent society base on local advantages, and to improve the quality of human resources ethical based". To realize the vision, the mission are set out as follows:

1. Develop quality of human resources who are healthy, intelligent, professional, and ethical
2. Strengthening the institutional foundation and establish regional economic structures that supported tourism-based local potential in the spirit of democracy toward a prosperous society;
3. Improving the efficiency and effectiveness of Governance;
4. Strengthening local infrastructure in order to improve public services.

This medium term in 2011 as the fourth year of RPJMD was set on an Annual Development Work Plan (RKPD) of Special Province of Yogyakarta (DIY). In 2011 stated there were 4 priorities:

1. Improve Quality of Basic Services by improving the quality of education, health, participation and appreciation of culture, creativity, technological innovation, as well as poverty reduction and handling disadvantaged areas.
2. Increased Productivity and Economic Stability through increasing food security and improving business and investment climate.
3. Improve Professionalism Governance through bureaucratic reform and governance.
4. Improve Infrastructure Service Delivery through strengthening infrastructure, energy needs, environmental protection and disaster management.

With the implementation of performance-based budgeting, the government's priorities of DIY mapped into 118 key indicators. In this research, the analysis focused on 9 key indicators to describe the relationship between the budget performance of the proposed budget made.

Table 6. Main Indicators of DIY in PBB

INDICATOR	UNIT	Target	Realization	Percentage of Realization
		2011	2011	
1. Literacy Rate	Percent	98,93	98,18	99,007
2. Coverage of Poverty Alleviation	Percent	5	2,46	49,20
3. Life Expectancy	Year	74,30	74	99,59
4. Infant Mortality Rate	Per 1000 (baby birth)	16	17	94,11
5. Maternal Mortality Rate	Per 100.000 (baby birth)	102	103	99,03
6. Unemployment Rate	Orang	84.387	74,317	96,82
7. gross regional domestic product	Percent	4,9 - 5,4	5,16	100
8. Gender Development Index (GDI)	Percent	70,80	72,24	102,03
9. Gender Empowerment Index (GEI)	Percent	62,48	63,32	101,34

Source: Evaluation of RKPD DIY, 2011, adjusted.

These priorities and indicators were followed by the annual budget of DIY 2011

as below:

Table 7. Annual Budget of DIY 2011

1. Income	Rp.	1.419.475.100.223,00
2. Spending	Rp.	1.591.878.311.143,00
Surplus/(Defisit)	Rp.	(172.403.210.920,00)
3. Financing :		
a. Financing Related Income	Rp.	204.318.210.920,00
b. Financing Related Outcome	Rp.	31.915.000.000,00
Net Financing	Rp.	172.403.210.920,00
Budget Surplus :	Rp.	0,00
4. Spending :		
a. Indirect Expenditure	: Rp.	850.053.817.907,00
b. Direct Expenditure	:Rp.	741.824.493.236,00
5. Indirect Spending:		
a. Personell	:Rp.	443.439.503.485,00
b. Interest	: Rp.	-
c. Subsidy	:Rp.	-
d. Grants	: Rp.	7.618.834.000,00
e. Social Aid	: Rp.	105.964.186.562,00
f. Payment of share revenue	:Rp.	215.127.693.860,00
g. Fiscal aid	:Rp.	67.903.600.000,00
h. Anticipated spending	:Rp.	10.000.000.000,00
6. Direct Spending:		
a. Personnel	: Rp.	90.328.823.931,00
b. Goods and Services	:Rp.	500.261.922.797,00
c. Capital Expenditure	:Rp.	151.233.746.508,00

Source : Report on APBD DIY 2011

Base on the results of the implementation of the priority 1 " Improve Quality of Basic Services by improving the quality of education, health, participation and appreciation of culture, creativity, technological innovation, as well as poverty reduction and handling disadvantaged areas." of the 46 indicators in Priority 1 generally have an appraisal realization very high performance. The average value in the Priority 1 Performance Rating is 147, 85. This value has exceeded the target of 100 per cent overall in the realization of the performance of priority 1 with the entry criteria for Very High category. But to enhance the priority 2 need to give attention more on: Figures average length of school, drop-out rates, and extent of handling numbers of the poor.

The results of the implementation of the priority 2 " Increased Productivity and Economic Stability through increasing food security and improving business and investment climate" of the 29 indicators in Priority 2 generally have an appraisal realization very high performance. The average value in the Priority 2 Performance Rating is 136,39. This value has exceeded the target of 100 per cent overall in the realization of the performance of priority 2 with the entry criteria for Very High category. But to enhance the priority 2 need to give attention more on: Figures of potential unemployment, and the slow down of plant productivity.

The results of the implementation of the priority 3 " Improving the efficiency and effectiveness of Governance " of the 11 indicators in Priority 3 generally have an appraisal realization very high performance. The average value in the Priority 3 Performance Rating is 140,04. This value has exceeded the target of 100 per cent overall in the realization of the performance of priority 3 with the entry criteria for Very High category. But to enhance the priority 3 need to give

attention more on: the public servant performance and on the quality of governance.

The results of the implementation of the priority 4 " Improve Infrastructure Service Delivery through strengthening infrastructure, energy needs, environmental protection and disaster management " of the 32 indicators in Priority 4 generally have an appraisal realization very high performance. The average value in the Priority 4 Performance Rating is 135,35. This value has exceeded the target of 100 per cent overall in the realization of the performance of priority 4 with the entry criteria for Very High category. But to enhance the priority 4 need to give attention more on: public transportation and and on the air pollution.

From the analysis of the achievement of RKPD was on the Very High Category. It can be understood if we traced from the integration of the Local Government Budget (APBD) and particularly the Budget General Work Plan (Renja KUA), Provisional Budget Ceiling (PPAS), and Budget Work Plan (RKA) , but still remain a big problem ie poverty rate.

From the BPS report, the poverty line in the province of Yogyakarta in March 2012 amounted to Rp 260,173, - per capita per month. When compared to the circumstances September 2011 amounted to Rp 257 909, - per capita per month, the poverty line for a half year ago increased by 0.88 percent. When compared with March 2011's Rp 249 629, - then in the next one year there was an increase of 4.22 percent. The number of poor people, the population whose consumption is below the poverty line in March 2012, in the province of Yogyakarta Special Region are 565.32 thousand. When compared with the September 2011 state that amounted to 564.23 thousand, meaning the number of

poor people increased by 1.09 thousand people in half a year. When compared to the state in March 2011 with the number of poor people reached 560.88 thousand a year then there is an increase of 4.4 thousand people. The poverty rate, ie the percentage of the population of poor people, in the province of Yogyakarta in March 2012 of 16.05 percent. When compared with the September 2011 year state the amount of 16.14 percent means that there is a decrease of 0.09 points during the half year. Meanwhile, in March 2011 when compared with the percentage of poor people at 16.08, there was a decrease of 0.03 points. The poverty rate in the province rank in 24 of all provinces in Indonesia. The fact is rather contrary considering the Human Development Index HDI DIY on rank 4 in Indonesia. The low level of welfare, instead of the successful development of DIY is very alarming and should be thinking hard by all parties, especially the provincial government and the bureaucrats in the region. Poverty reduction has not been successful due to DIY program addressed poverty reduction is not achieved due to the wrong target.

Overall though RKPD targets achieved, but the low achievement of main indicator indicates the overall implementation of the PBB needs to be evaluated. In determining an indicator RKPD, budgets and annual targets, the decision makers who play an important role are the team of the local government budget (TAPD) and parliament DPRD). The facts shows that legislative fail to define indicators, targets, and select the benefits to be pursued by the government, identify risks to achieving main goal of local developmet, make some adjustments to strategic plans based on feedback from the evaluation of program budget implementation.

In other side, this performance shows that the bureaucracy more oriented to the

implementation of the program, the fulfillment of any obligation to make a report, regardless of the substance of the implementation of the PBB. And also lack of commitment in implementing PBB.

5. 2. Performance Base Budgeting in Special Province of Jakarta (DKI Jakarta).

DKI Jakarta as the capital of Indonesia, has a special status and given special autonomy under Law No. 29 of 2007, by having special status, the entire policy of the government and the budget set at the provincial level because the legislature only exist at the provincial level. The Government of DKI Jakarta formulated the vision of Mid Term Development Plan 2007-2012 year plan as: "Jakarta Convenient And Prosper For All". The missions are:

1. Establishing good governance by implementing the rules of "Good Governance".
2. Serving the community with the principles of service excellence.
3. Empowering the community with the principle of authority in community to identify problems and seek the best solution at this stage of planning, implementation, monitoring and control of development.
4. Build a city infrastructure that ensures comfort, taking into account the principles of sustainable development.
5. Creating a vibrant city life environment in promoting growth and prosperity.

The priorities of development in 2011 were:

- a. Improving the quality of governance which are transparent and accountable.
- b. Improved access, quality and justice for basic services particularly for education, health and social sector.
- c. Increased people welfare, institutional structure and implementation of society empowerment.
- d. Developing infrastructure to facilitate economic activities of the city and housing needs.

As the capitol of the country, Jakarta has a distinctive indicators in its performance. Jakarta Provincial Mid Term Development Planning 2007-2012 are translated into a number of regional development programs are categorized as follows:

1. Dedicated Program
2. Sectoral Program

3. Spatial Program

Dedicated Program is a priority program area using top down planning. It is a commitment of the Regional Leadership is directly touching the public interest, monumental, cross-business, large-scale and have a high urgency and broad impact on society. Judging from its urgency, Dedicated Program can be multi-years or more than 1 (one) year budget in a single function and a whole contract.

The budget allocation mechanism for dedicated program uses a top-down, and binding region or sector agencies to implement the program. Dedicated programs are grouped according to the 9 fundamental issues as major problems of development and 32 pieces of the program, namely:

1. Flood control
2. Development of transportation and communication
3. Pollution reduction
4. Improve quality of basic needs
5. Community empowerment
6. Developing diversity of culture
7. Implementation of Good Governance
8. Disaster management
9. Climate change anticipation

With the implementation of performance-based budgeting, the government's priorities of DKI mapped into various key indicators. In this research, the analysis focused on achievement on dedicated program and 9 key indicators to describe the relationship between the budget performance of the proposed budget made.

Table 8 . Main Indicators of DKI Jakarta in PBB

INDICATOR	UNIT	Target	Realization	Percentage
		2011	2011	
1. Literacy Rate	Percent	99,25	99,30	100,05
2. Coverage of Poverty Alleviation	Percent	3,75	3,64	97,50
3. Life Expectancy	Year	75,8	76,2	100,52
4. Infant Mortality Rate	Per 1000 (baby	8,4	7	83,33

INDICATOR	UNIT	Target	Realization	Percentage
		2011	2011	
	birth)			
5. Maternal Mortality Rate	Per 100.000 (baby birth)	41	41	100
6. Unemployment Rate	Percent	10,80	10,80	100
7. gross regional domestic product	Trillion	862,16	982,5	113,95
8. Gender Development Index (GDI)	Percent	73,35	74,01	102,23
9. Gender Empowerment Index(GEI)	Percent	73,23	74,70	102,00

Source: Evaluation of RKPD DKI, 2011, adjusted.

These priorities and indicators were followed by the annual budget of DKI Jakarta 2011 as below:

Tabel 9. Annual Budget of DKI Jakarta 2011

1. Income	Rp.	28.297.361.482.869
2. Spending	Rp.	26.423.599.893.297
Surplus/(Defisit)	Rp.	1.873.761.589.572
3. Financing :		
a. Financing Related Income	Rp.	4.926.078.266.154
b. Financing Related Outcome	Rp.	329.221.365.219
Net Financing	Rp.	4.596.856.900.935
Budget Surplus :	Rp.	6.470.618.490.508
4. Spending :		
a. Indirect Expenditure	: Rp.	9.627.347.326.824
b. Direct Expenditure	:Rp.	16.796.252.566.473
5. Indirect Spending:		
a. Personell	:Rp.	8.757.472.025.898
b. Interest	: Rp.	4.353.524.981
c. Subsidy	: Rp.	-
d. Grants	: Rp.	825.595.987.217
e. Social Aid	: Rp.	38.587.205.558
f. Payment of share revenue	:Rp.	-
g. Fiscal aid	:Rp.	1.338.583.170
h. Anticipated spending	:Rp.	-
6. Direct Spending:		
a. Personnel	: Rp.	1,138.088.013.279
b. Goods and Services	:Rp.	8.341.831.218.443
c. Capital Expenditure	:Rp.	7.316.333.334.751

Source : Report on APBD DKI Jakarta 2011

Budget posture and allocation of Budget and Expenditure is often in the spotlight. This is a common, because the budget reflects the performance of local government and how politics is run budget. Budgets reflect local governments'

ability to realize revenue potential, and how then the money allocated for development.

In formulating and implementing development, the city government has always adhered to its priorities. Local Budget was referred to dedicated program. This program is a high priority and allocated substantial funds for high impact and large directly to the public.

The projects included in the program dedicated among others are the arrangement of transport to reduce congestion pressure, flood control, education, health, community development, and environmental protection.

Jakarta regional budget policy is to increase the quality of public services according the principles of service excellence. The policy was focused on increasing the quality and capacity of economic infrastructure and social infrastructure, particularly in terms of empowering people to improve the quality welfare and poverty reduction.

But the crucial problem of DKI Jakarta is floods. Floods becomes a big problem for the city since hundreds of years ago. Unfavorable geographical conditions in which 40% of its territory is below sea level, making it very risky city floods. The last major flood occurred in 2007 and in January 2012. About 36% of Jakarta flooded areas, even in some areas the water level reaches 7 meters. Flood control project is continuously included in dedicated funding program that gets the highest priority in the allocation of budget funds. In addition, from human resources quality and procedures task force also strengthened to help the community when the flood came. Starting from rescue teams, health, social assistance is always required so early warning alert system turns on.

Other problem is traffic jam. The growth of vehicle around 10% per year, making the network increasingly congested roads in Jakarta from year to year so that the risk of jams continue to raise. The number of vehicles in Jakarta has now reached more than 7 million units, not to mention about 700 thousand units to 1 million units every day in and out of the area around the vehicle. The Government of DKI Jakarta need to address the efforts to reduce the traffic jams.

By knowing this problem of why PBB in Jakarta also still remains big problem, from the role of legislative as stakeholder, it was seen that the crucial factor is laid on the weak control of government itself and the legislatives not well prepare to take a straight control on design program structure and select performance indicators. The stakeholders also do not have enough capacity to combine PBB techniques and integrate them into the budget strategies.

VI. Conclusion

1. Indicators in local development mostly are achieved, but at general it remains unsolved problem in main indicators such as poverty rate, unemployment rate and environmental problems.
2. Both Government and Legislative are in low awareness of identify the strategic planning, strategic indicators and make a commitment in budgeting to financing the implementation of PBB in an MTEF framework as a tools to achieve the development vision and missions.
3. The implementation of PBB still facing the constraints such as : capacity of budget stakeholders (government and legislative), knowledge and skill of budget analyst, weak of budget planner.

4. Budget has not been integrated with planning at the earlier step, such as it is very minimum accommodate the voice of the public.
5. The weak of compliance to PBB procedures such as budgetreview, public hearing, and control of the public.

References:

1. Australia Indonesia Partnership, 2010. Expenditure Planning and Performance-Based Budgeting in The Directorate General of Highways.
2. Blöndal, Jón R., Ian Hawkesworth and Hyun-Deok Choi, 2009. Budgeting in Indonesia, ISSN 1608-7143 OECD Journal on Budgeting Volume 2009/2 © OECD 2009.
3. Fadzil, Faudziah Hanim and Harryanto Nyoto, 2011. Fiscal Decentralization after Implementation of Local Government Autonomy in Indonesia, World Review of Business Research Vol. 1. No. 2. May 2011 Pp. 51 – 70.
4. Harun and Peter Robinson, 2010. The Adoption of Accrual Accounting in the Indonesian Public Sector, in Mathew Tsamenyi, Shahzad Uddin (Ed.) *10 (Research in Accounting In Emerging Economies, Volume 10)*, Emerald Group Publishing Limited, Pp.233-250.
5. Indonesia – The Challenges of Implementing A Performance-Based Budget System ([Http://Blog-Pfm.Imf.Org/Pfmblog/2007/11/Indonesia-The-C.Html](http://Blog-Pfm.Imf.Org/Pfmblog/2007/11/Indonesia-The-C.Html)).
6. Kałsek, Leszek And David Webber (Eds), 2009, Current Issues In Fiscal Reform In Central Europe & The Baltic States 2008
7. Marwata, Manzurul Alam, 2006. The Interaction Amongst Reform Drivers in Governmental Accounting Changes: The Case of Indonesian Local Government, Journal of Accounting & Organizational Change, Vol. 2 ISSN: 2, Pp.144 – 163.
8. Mutiarin, Dyah, 2012. Public Budgeting in The Fiscal Decentralization Policy in Indonesia, Paper Presented in International Conference of Decentralization, IPDN, 2012.
9. Performance-Based Budgeting and Medium-Term Expenditure Frameworks in Emerging Europe , The World Bank, Poland, Warsawa Office Edition I, Warsawa.
10. Report on Annual Development Work Plan of DIY 2011.
11. Report on Annual Development Work Plan of DKI Jakarta 2011.
12. Report on Annual State Budget Of DIY 2011.
13. Report on Annual State Budget Of DKI Jakarta 2011.
14. Robinson, Marc And Duncan Last, 2009. A Basic Model of Performance-Based Budgeting, Fiscal Affairs Department, International Monetary Fund, 2009.
15. Seknas Fitra, 2011. Local Budgets Study 2010(AAD), The Asia Foundation, Ukaid, Royal Netherlands Embassy.
16. Seknas Fitra, 2012. Overview of Indonesian Budgetary Processes.
17. Shah, Anwar (Ed), 2007. Public Sector Governance and Accountability

- Series, Local Budgeting, The International Bank For Reconstruction and Development / The World Bank , NW Washington.
18. Shah, Anwar (Ed), 2007. Public Sector Governance and Accountability Series, Budgeting and Budgetary Institutions, The International Bank for Reconstruction And Development / The World Bank , NW Washington.
 19. Syukri, Hendri, 2005. Performance Based Budgeting: A Model For The Indonesian Department Of Defense (Thesis), June 2005, Naval Postgraduate School Monterey, California.
 20. The Indonesia Presidential Address On State Budget 2012.
 21. The Indonesian Budget Overview 2011, Ministry of Finance, Directorate General of Budget.
 22. Tom Groot and Tjerk Budding, 2008. *New Public Management's current Issues and future prospect*, www.ssrn.com
 23. Law Number 17 of 2003 on State Financial.
 24. Law 1 (2004) on State Treasury
 25. Law 15 (2004) on Inspection of the Management and Accountability of State Finances.
 26. Law 25 (2004) on National Development Planning System.
 27. Government Regulation 21 (2004) on Guidelines for the Formulation of Work Plans and Budgets of State Ministries/Agencies (RKA-KL).
 28. Regulation 20 (2004) on Government Work Plans.