

ABSTRACT

Kantor Akuntansi Regional (KAR) or Regional Accounting Office Surabaya is one among central government organization that is under Badan Akuntansi Keuangan Negara or State Financial Accounting Agency – Department of Finance, The Republic of Indonesia. Routine budget of KAR, which is proposed through Daftar Usulan Kegiatan (DUK) or Activity Proposal List, is composed basically on line item budget which is oriented toward expenditure object. BAKUN head office approved DUK then sending Daftar Isian Kegiatan or Activity Filled List to KAR. Through some arguing and discussion with Kantor Wilayah XV Direktorat Jenderal Anggaran (DJA) or Regional Office XV of Directorate General of Budget Surabaya, chairman of Kantor Wilayah XV DJA issues a decree letter. Next, chairman of KAR establishes a guidance of DIK for the current year budget.

Composing of this budget is mostly considering to financial planning aspects, not on activities planning base. For that reason, such budgeting does not illustrate about overall activities performed to achieve organization's vision, mission, goal and target. Budget implementation was controlled by treasurer superior, which is arranged by government's regulation, is carried out by direct higher of treasurer. Besides that, every month the chief of KAR has to deliver reports to Biro Keuangan-Departemen Keuangan Republik Indonesia or Finance Bureau-Ministry of Finance of Republic Indonesia, Secretary of BAKUN and Kantor Perbendaharaan dan Kas Negara (KPKN) or State Treasury Cash Office-under Directorate General of Budget-in according to applied regulation.

This research using case study approach to detail described background, behavior, and special character, which possibly giving an understanding about planning and controlling activities as starting point on preparing and controlling activity based budgeting. That's the reason qualitative method used on the research.

Effects of such composing and controlling mentioned above, it is very difficult to value about success or failure of implementing programs and activity, as for, in its operational suppress responsibilities as a supervision tool toward each expenditure object. From research result in the year 2001's budgeting, indicated that performance-budget activity base to have a different amount as much of Rp 20.432.000.00 lower than line item in budget.

To fulfill demands for achieving effectiveness in performing main job and its function of KAR and in order to be able to value about success and failure of implementing program and activity, certainly, budget composing is directed toward applying performance-budget activity base. Controlling on performance-budget should be built and executed through activity line that is based on KAR's vision and mission to achieve determined goal and target. This control will run well efficiently and effectively if it is supported by mechanism with proper performance accountability.