

Analysis of the Implementation of Grant Funds at the People's Welfare Bureau of the North Sumatra Regional Secretariat

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Abstract. *This study aims to analyze the implementation of grant policies in the People's Welfare Bureau of the Regional Secretariat of North Sumatra Province. Through a qualitative approach, this study identifies and evaluates the process of implementing grant funds and the factors that are obstacles in its implementation. Data was obtained through in-depth interviews with government officials, grantees, and direct observation of administrative processes and related documents. The results of the study show that although the grant policy already has a clear procedure, there are still various obstacles, such as long bureaucracy, lack of transparency in the selection of recipients, weak supervision, low capacity of grant recipients in reporting, and indications of politicization of grant funds. Some of the proposed recommendations include simplifying administrative procedures, increasing transparency through open information systems, and strengthening grantee capacity in financial management and reporting. This research is expected to contribute to improving the implementation of grant policies in the future, so that it can be more effective in improving community welfare.*

Keywords: Policy Implementation, Grants, Bureaucracy, Transparency, Supervision, Constraints, North Sumatra

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INTRODUCTION

The government has a responsibility to improve the welfare of the community through various policies and programs. One form of policy implemented is the provision of grants to communities, institutions, and organizations that meet certain criteria (Maharsani, 2022). This grant aims to support various social, religious, educational, and general welfare activities. At the regional level, this policy is managed by the People's Welfare Bureau of the Regional Secretariat which has a strategic role in distributing grant funds in accordance with applicable regulations.

In North Sumatra Province, the Regional Secretariat's People's Welfare Bureau plays an important role in the management of grant funds allocated for various community programs and activities. However, in its implementation, this policy often faces various challenges, ranging from aspects of planning, implementation, to evaluation. Various factors such as transparency, accountability, and effectiveness in distributing funds are issues that are often discussed in the management of grant funds at the regional level (BIG, n.d.).

The management of grant funds that are not in accordance with the provisions can cause various problems, such as budget abuse, inaccuracy of targets, and the potential for corrupt practices (Julianda et al., 2025). Therefore, a strict monitoring system and a clear mechanism are needed to ensure that grant funds are truly used for the benefit of the community. This is a

challenge for local governments, especially the People's Welfare Bureau, in carrying out their duties effectively and responsibly.

In addition, the implementation of grant funds must also pay attention to aspects of justice and equity (Sianturi, 2017). Grant funds should not only be given to certain groups or organizations, but must be distributed fairly to those who really need them. In practice, there is often a tendency for certain groups to receive grants on a recurring basis, while other groups have difficulty accessing the assistance. Transparency in the management of grant funds is one of the key factors in ensuring that this policy runs in accordance with the rules (Aslindah & Mulawarman, 2022).

Local governments need to have a clear and easily accessible reporting system for the public to know how grant funds are distributed and who the beneficiaries are. With transparency, the potential for budget abuse can be minimized, so that public trust in local governments can increase (Selvia & Arza, 2023). In addition to transparency, accountability in the use of grant funds must also be a major concern. Each grant recipient is required to report the use of funds received in detail and in accordance with the original purpose of granting the grant (Harahap, 2018). This is important to ensure that the funds provided are actually used for the planned interests, not for the interests of individuals or certain groups.

In the context of North Sumatra, various regulations have been implemented to regulate the mechanism for granting grants to be in accordance with applicable laws. However, in its implementation, obstacles such as weak supervision, lack of coordination between agencies, and lack of understanding from grant recipients about the correct procedures for using funds are often found. These obstacles must be overcome immediately so that the grant policy can run optimally (Ngabito & Raf, 2023). In addition to internal factors, external factors such as political dynamics can also affect the implementation of grant funds (Nabilah & Fikriana, 2023). It is not uncommon for grant policies to be associated with certain political interests, especially ahead of regional head elections or legislative elections.

In some cases, grants are used as a tool to gain political support, so the main goal of these policies, which is to improve people's welfare, is neglected. To overcome various problems in the implementation of grant funds, system improvements are needed, starting from the planning, distribution, to evaluation stages (Kartika, 2012). Local governments must ensure that grant procedures are carried out in a transparent, fair, and accountable manner. In addition, it is necessary to strengthen the supervision system so that every stage in the management of grant funds can run in accordance with applicable rules.

On the other hand, public participation in supervising the use of grant funds is also very important. The public needs to be given access to information related to the distribution of grant funds so that they can participate in supervising their use (Nurjannah, 2022). With community involvement, it is hoped that the management of grant funds can run better and more in accordance with real needs in the field. In addition, capacity building for grantees must also be a major concern. Many grant recipients do not have a sufficient understanding of the procedures for using and reporting grant funds (Runtuwarouw et al., 2019). Therefore, local governments need to provide socialization and training so that grantees can manage the funds received properly and in accordance with applicable regulations (Mongilala, 2016).

Effective grants can bring great benefits to the community, both in the form of infrastructure development, improving social services, and economic empowerment (Muslihah & Siregar, 2019). Therefore, periodic evaluation of the implementation of grant funds is important to do. This evaluation can be the basis for formulating better policies in the future. In this study, it will be analyzed how the implementation of grant funds in the People's Welfare Bureau of the North Sumatra Regional Secretariat, as well as the various challenges faced in its implementation. This analysis will be carried out by looking at various aspects, ranging from the mechanism of fund allocation, transparency and accountability in its management, to the impact of this policy on the welfare of the community.

With this study, it is hoped that a clearer picture can be obtained about the effectiveness of the implementation of grant funds in North Sumatra. In addition, this research is also expected to provide recommendations for local governments in improving the grant management system to be more optimal and beneficial to the community. Overall, this analysis will provide in-depth insights into how grant policies are implemented at the local level, as well as how challenges in their implementation can be overcome through improved policies and systems. Thus, grants can really be an effective instrument in improving the welfare of the people in North Sumatra.

METHODS

Research Approach

This study uses a qualitative approach with a descriptive method (Syahrizal & Syahrizal, 2023). This approach aims to understand and analyze the implementation of grant policies in the People's Welfare Bureau of the North Sumatra Regional Secretariat in depth, by highlighting the process, challenges, and impacts on community welfare.

Location and Subject of Research

This research was conducted at the People's Welfare Bureau of the Regional Secretariat of North Sumatra Province as the institution responsible for the management of grant funds in the region. Research subjects include: (1) Officials and staff of the People's Welfare Bureau, who play a role in the management of grant funds; (2) Grant recipients, including social organizations, religious institutions, and community groups that receive assistance; (3) Supervisors or auditors, such as the Regional Inspectorate and the Financial Audit Agency (BPK), to obtain perspectives related to accountability and transparency of grant funds; (4) The general public, as parties affected by the grant policy.

Data Collection Techniques

To obtain comprehensive data, this study uses the following data collection techniques: (1) In-Depth Interviews, Interviews were conducted directly with key informants, such as bureau officials, grantees, and supervisors. This interview aims to explore information about the procedures for distributing funds, the obstacles faced, and the impact resulting from this policy; (2) Participatory Observation, The researcher made direct observations of the process of managing and distributing grant funds, including how administrative procedures are carried out and how grantees utilize the funds provided; (3) Document Study, The documents reviewed include laws and regulations related to grant funds, financial accountability reports, audit reports, and administrative documents related to the implementation of grant policies.

Data Analysis Techniques

The data obtained were analyzed using the thematic analysis method, which included the following steps (Jogiyanto, 2018):

Data Reduction

The data collected from interviews, observations, and documents are reduced by selecting relevant information to answer the focus of the research.

Categorization and Coding

The data is categorized into specific themes, such as funding mechanisms, implementation challenges, transparency, and impact on society.

Drawing conclusions

Once the data is analyzed, the results are interpreted to provide a deeper understanding of how grant policies are implemented and the challenges and solutions that can be implemented.

RESULTS AND DISCUSSION

Implementation of Grant Funding Policy at the People's Welfare Bureau of the Regional Secretariat of North Sumatra Province

The implementation of the grant policy at the People's Welfare Bureau of the Regional Secretariat of North Sumatra Province follows the procedures that have been set out in regional regulations and governor's regulations related to the management of grant funds. In general, the process of distributing grant funds includes the main stages, namely the submission of proposals by prospective recipients, administrative and technical verification by the local government, budget approval, disbursement of funds, as well as reporting and evaluation of the use of grant funds. In the proposal submission stage, prospective grant recipients, such as social, religious, and community organizations, must submit an application by attaching the required documents. Based on interviews with officials of the People's Welfare Bureau, many proposals are submitted by community groups every year, but not all of them can be approved due to budget constraints.

The verification stage is a crucial part of the implementation of this policy. The verification team from the People's Welfare Bureau checks the eligibility of potential recipients, including ensuring that the organization applying for the grant has legal legality and a work program that is in accordance with the purpose of granting the grant. However, in practice, several problems have been found, such as a lack of transparency in determining grant recipients and indications of grant grants that are not based on urgency of needs, but rather proximity to certain parties. At the stage of disbursement of funds, the process is carried out through a transfer mechanism to the approved grantee account. Based on the results of the document study, most of the grant funds disbursed are used for social, religious, and public facility construction. However, not all grantees understand the required financial reporting procedures after receiving funds, resulting in frequent delays in the submission of accountability reports.

Evaluation of the implementation of grant funds is carried out by relevant agencies, including the Regional Inspectorate and the Financial Audit Agency (BPK). In recent years, there have been findings in audits that show discrepancies between reports on the use of funds and realizations in the field, thus giving rise to recommendations to increase supervision in the implementation of grant policies. Policy implementation can be understood as a process of implementing decisions that have been determined in the form of regulations or public policies. According to the policy implementation theory put forward by Van Meter and Van Horn (1975), the success of a policy is greatly influenced by six main factors, namely: (1) policy standards and objectives, (2) resources, (3) communication between organizations and implementers, (4) characteristics of the implementing body, (5) social, economic, and political conditions, and (6) attitudes or responses of policy implementers.

Based on the results of the research, the implementation of the grant policy at the People's Welfare Bureau of the Regional Secretariat of North Sumatra Province has followed the applicable regulations. The standards and procedures used refer to Government Regulations, Regional Regulations, and Governor's Regulations related to the management of grant funds. The process of applying, verifying, disbursing, and reporting grant funds has clear rules, although there are still some obstacles in its implementation. This research is in line with the results of the research (Sos, 2020) which states that in the policy of granting grants at the regional level, the administrative standards that have been set are often not consistently followed by the implementers. In this study, it was also found that the grant recipient selection process in North Sumatra still has weaknesses in terms of transparency and accountability, which can have an impact on policy effectiveness.

In terms of resources, this study found that one of the factors affecting policy implementation is the limitation of human resources in charge of the verification and evaluation process of grant funds. In policy implementation theory (Ozorhon & Karahan, 2017), it was stated that resources including staff, information, and facilities are important factors in the successful implementation of the policy. When resources are limited, the quality of policy implementation

becomes less than optimal. Communication between organizations is also an important factor in the implementation of grant policies. Research (Aneta & Tohopi, 2024) It was found that weak coordination between grant management institutions and supervisory institutions can cause inconsistencies in policy implementation. The results of this study also found that coordination between the People's Welfare Bureau and related agencies, such as the Regional Inspectorate and BPK, still needs to be improved so that the supervision of grant funds can run more effectively.

In terms of policy impact, this study finds that although grants have been distributed to various community groups, there are still problems in their utilization. This is in line with research (Abidin, 2015) which shows that the lack of understanding of grantees about the management and accountability of funds often leads to inappropriate or even not made financial statements at all. Therefore, training and socialization related to the management of grant funds are urgently needed to increase the effectiveness of this policy.

Constraints in the Implementation of Grant Funding Policy

Although the grant policy has been designed with a clear mechanism, there are several obstacles faced in its implementation. These constraints can be categorized into administrative, regulatory, supervisory aspects, as well as transparency and accountability.

Table 1. Main Obstacles

No	Constraints	Description
1	Long Bureaucracy	Complex administrative processes cause delays in disbursement of funds.
2	Lack of Transparency	There is no system open to the public regarding the determination of grant recipients.
3	Lack of Supervision	The lack of supervision causes the potential for misuse of grant funds.
4	Low Receiver Capacity	Many grant recipients do not understand the reporting procedure.
5	Indications of Politicization of Grant Funds	Grants are sometimes used as a tool for certain political interests.

From the table above, it can be explained that one of the main obstacles in the implementation of grant policy is long bureaucracy. Many grantees complain about complicated and time-consuming administrative processes, from the verification stage to the disbursement of funds. In addition, the lack of transparency in the selection process of grantees is a problem that is often highlighted. Based on the results of interviews with several community organizations, they felt that they did not get enough information about the selection criteria for grantees, so there was a suspicion that there was an imbalance in the distribution of funds.

The weak supervisory factor is also an obstacle in the implementation of this policy. Although there have been regulations that regulate the accountability mechanism of grant funds, there are still cases where funds are not used in accordance with their designation. This is exacerbated by the lack of supervision from local governments over grant recipients, especially for those who do not report the use of funds in a timely manner. In addition, many grantees experience obstacles in making accountability reports due to a lack of understanding of financial reporting procedures. Therefore, the capacity of grantees in terms of financial management needs to be increased through socialization and training from local governments.

Finally, there are indications that the policy of granting grants is sometimes influenced by political factors. Ahead of the regional head election or legislative election, there is a tendency to increase the amount of grants given to certain groups. This raises concerns that grants are not always given based on the real needs of the community, but rather as a form of certain political interests. In this study, several main obstacles were found in the implementation of the grant policy, which included long bureaucracy, lack of transparency, weak supervision, low capacity of grant recipients, and indications of politicization of grant funds. According to Matland (1995)

Regarding policy implementation, the success of a policy is greatly influenced by the content of the policy and the implementation environment. In the context of grants in North Sumatra, the content of the policies that have been set is actually quite clear, but the implementation environment consisting of social, political, and administrative factors is still an obstacle.

The main obstacle in the implementation of grant policy is the long bureaucracy, which causes delays in disbursement of funds. Research (Abidin, 2015) It found that complex administrative procedures in granting grants are often a major obstacle for community organizations seeking to access these funds. In this study, it was found that some grantees in North Sumatra have difficulty understanding the complicated administrative process, so they have to spend additional costs to get help in taking care of administrative documents. The lack of transparency is also a significant obstacle. Based on the theory of Good Governance, transparency is the main principle in public financial management. However, in this study, it was found that there was no open publication system regarding the list of grantees and the amount of funds given, causing a lack of public trust in this policy.

This is in line with research (Zitri, 2022) who stated that information disclosure in the distribution of grant funds can increase accountability and reduce the potential for budget abuse. In addition, weak supervision of the use of grant funds is a serious problem. Agency Theory explains that in the relationship between the government (principal) and grant recipients (agents), a strong supervisory mechanism is needed to ensure that funds are used in accordance with the goals that have been set (Payne & Petrenko, 2019). However, in this study, it was found that the supervision carried out was still administrative, without direct verification in the field. Weak oversight in grant programs in other regions of Indonesia often leads to misuse of funds and low effectiveness of these programs. Another factor that is an obstacle is the low capacity of grantees in compiling accountability reports.

The results of the study show that many grant recipients have difficulty in compiling financial statements due to a lack of understanding of the correct reporting procedures. One of the causes of low accountability of grant funds is the lack of training for grantees in managing and reporting on the use of funds. Finally, indications of the politicization of grant funds were also found in this study. Based on interviews with several informants, there is a tendency that the distribution of grant funds benefits more to certain groups, especially ahead of regional head elections or legislative elections.

CONCLUSION

Based on the results of the research and discussion that has been carried out, it can be concluded that the implementation of the grant policy at the People's Welfare Bureau of the Regional Secretariat of North Sumatra Province still faces several challenges even though it already has a clear regulatory framework. The administrative process that has been established has indeed followed the applicable procedures, but in practice there are still obstacles that hinder the effectiveness of this policy, including long bureaucracy, lack of transparency in the selection of grantees, and weak supervision of the use of funds. One of the main obstacles found is lengthy bureaucracy, which slows the disbursement of grant funds and reduces the impact that can be produced. The complicated administrative process also causes some grantees to have difficulty obtaining assistance. In addition, the lack of transparency in the selection process of grantees is also a significant problem, thus reducing the level of public trust in this policy. Another obstacle is weak supervision, which leads to the potential misuse of grant funds. Although there has been supervision by relevant agencies such as the Regional Inspectorate and BPK, there is still a discrepancy between the report on the use of funds and the realization in the field. The low capacity of grantees in compiling accountability reports is also one of the obstacles, because many recipients do not understand good and correct reporting procedures. On the other hand, there are indications of the politicization of grant funds also show that this policy is sometimes used for certain political interests, which can undermine the main purpose of granting grants as a means

to improve people's welfare. This exacerbates the disparity in the distribution of grant funds, which should be given based on real needs, not group or political interests.

SUGGESTION

To overcome these obstacles, there is a need for reform in stricter administrative and supervisory procedures. Increasing transparency through publicly accessible information systems and training for grantees on financial management and reporting procedures are also very important steps. Strengthening coordination between relevant agencies and improvements in the monitoring system can ensure that grant funds are used more efficiently and on target. Overall, although the policy of providing grants in North Sumatra has had a positive impact on improving people's welfare, there is still a lot of room for improvement. With improvements in various aspects of implementation, it is hoped that the grant funds can provide greater and targeted benefits for the people of North Sumatra.

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