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To: Please see the distribution

YBhg. Datuk/Datu/Dato/Tuan/Puan,

STATE FINANCIAL SECRETARY CIRCULAR NO. 8/2026: GUIDELINES FOR THE PREPARATION OF THE ANNUAL BUDGET ESTIMATES FOR THE FINANCIAL YEAR 2027 BY STATE STATUTORY BODIES AND GOVERNMENT-LINKED COMPANIES

1.0 PURPOSE

This Circular aims to provide guidance on the preparation of Annual Budget Estimates for the Financial Year 2027 by **State Statutory Bodies and gazetted Government-Linked Companies** for submission to the ***Majlis Mesyuarat Kerajaan Negeri*** **("MMKN")** for consideration and approval. This is in accordance with the provisions under Part 1A – Annual Estimates of the Statutory Bodies (Financial and Accounting Procedure) Ordinance, 1995 ("FAPO 1995").

2.0 BACKGROUND

2.1 STATE STATUTORY BODIES

2.1.1 In accordance with Section 3A(1) of FAPO 1995, State Statutory Bodies shall, **not later than the fifteenth (15th) day of October of each year, prepare the Detailed Draft Annual Budget Estimates of revenue and expenditure** (capital, operating and development) for the next financial year, together with the accompanying Pro-forma Statement of Profit or Loss and Other Comprehensive Income, Pro-forma Statement of

Financial Position and Pro-forma Statement of Cash Flows, showing, among other things, the sources and disbursements of funds. **Draft Annual Budget Estimates shall be prepared in accordance with the format prescribed in this Circular to ensure standardisation for submission to the MMKN**.

2.1.2 Thereafter, in accordance with Section 3A(3) of FAPO 1995, Statutory Bodies shall, **not later than the thirtieth (30th) day of November of each year**, submit the Draft Annual Budget Estimates, duly endorsed by the Board of Directors, to MMKN for consideration and approval.

2.1.3 A copy of the Board-endorsed Draft Annual Budget Estimates shall be **submitted to the State Financial Secretary's Office ("SFSO")** for review to ensure compliance with the prescribed format and the accuracy of the information provided. **Statutory Bodies shall ensure that all comments and recommendations made by the SFSO are duly addressed prior to the submission of the Draft Annual Budget Estimates to the Special Cabinet Committee ("CABCOM")**.

2.1.4 Pursuant to the MMKN Decision via MMKN/GPS-642(10/2022 dated 8th December 2022, the State Government established the CABCOM, effective from 1st January 2023. CABCOM is responsible for accessing, reviewing, and examining the Audited Financial Statements and Draft Annual Budget Submissions of State Statutory Bodies and Local Authorities prior to their submission to MMKN for consideration and approval. The Sarawak Integrity and Ombudsman Unit (UNIONS) under the Department of the Premier of Sarawak has been designated as the Secretariat to CABCOM. Accordingly, Statutory Bodies shall **submit the Draft Annual Budget Estimates,** after incorporating the SFSO's comments, to the **CABCOM Secretariat** through their respective Ministry-in-Charge.

2.2 GOVERNMENT-LINKED COMPANIES

2.2.1 Government-Linked Companies incorporated under Statutory Bodies and the State Financial Secretary (Incorporation) that are **gazetted** under Section 3D of FAPO 1995, are required to submit the Draft Annual Budget Estimates to the MMKN for consideration and approval. Accordingly, **the requirements set out in paragraphs 2.1.1, 2.1.2 and 2.1.3 of this Circular shall apply**.

2.2.2 For Government-Linked Companies incorporated under State Statutory Bodies and the State Financial Secretary (Incorporation) that are **not gazetted** under Section 3D of FAPO 1995 are not required to submit their Draft Annual Budget Estimates to the MMKN. Nevertheless, the respective Statutory Body and State Financial Secretary (Incorporation), in their capacity as shareholders, shall ensure that their subsidiaries prepare the Draft Annual Budget Estimates within the prescribed timeline and obtain the necessary review and endorsement by their respective Board of Directors.

3.0 FLOWCHART

3.1 The **Flowchart illustrating the preparation process for the Annual Budget Estimates by Statutory Bodies and Government-Linked Companies,** in accordance with Section 3A of FAPO 1995, is attached as **Appendix A** for reference.

4.0 FORMAT OF ANNUAL BUDGET ESTIMATES YEAR 2027

4.1 In accordance with Section 3A(2) of the FAPO 1995, **the Draft Annual Budget Estimates for the Financial Year 2027 shall be prepared and submitted through the Sarawak State-Owned Enterprises Monitoring System (e-SOEs)**, as the online Budget Estimates Module is now fully operational.

4,2 The use of the e-SOEs Budget Estimates Module is intended to standardise the format and content of the Draft Annual Budget Estimates and facilitate the review and analysis process. The submission of hard copy documents shall continue to be made in accordance with the submission requirements and timelines specified in this Circular.

4.3 A summary of the required submission documents is as follows:

<table>
<tr><th>No.</th><th colspan="2">Documents</th><th>Format</th></tr>
<tr><td>i.</td><td>Appendix 1A:</td><td>Budget Summary Write-up</td><td>As attached in this circular.</td></tr>
<tr><td>ii.</td><td>Appendix 1B:</td><td>Budget Summary</td><td rowspan="7">To utilise the format in the e-SOEs.</td></tr>
<tr><td>iii.</td><td>Appendix 2:</td><td>Operating Budget</td></tr>
<tr><td>iv.</td><td>Appendix 3:</td><td>Pro-forma Statement of Profit or Loss and Other Comprehensive Income</td></tr>
<tr><td>v.</td><td>Appendix 4:</td><td>Pro-forma Statement of Financial Position</td></tr>
<tr><td>vi.</td><td>Appendix 5:</td><td>Pro-forma Statement of Cash Flows</td></tr>
<tr><td>vii.</td><td>Appendix 6A & 6B:</td><td>Capital Expenditure Budget</td></tr>
<tr><td>viii.</td><td>Appendix 7:</td><td>Development Expenditure Budget</td></tr>
</table>

5.0 STATE AND FEDERAL GOVERNMENT ALLOCATIONS

5.1 The Draft Annual Budget Estimates for the Financial Year 2027 shall reflect prudent financial planning. In addition to internally generated funds, allocations expected to be received from the State Government, the Federal Government and other external sources shall be taken into consideration in the preparation of the Draft Annual Budget Estimates. Approved allocations shall be utilised prudently and solely for their intended purposes.

5.2 As stipulated in **State Financial Secretary Circular No. 6/2026: Guidelines on the Preparation and Submission of Revenue and Expenditure Estimates for 2027 dated 22 May 2026**, Statutory Bodies and Government-Linked Companies receiving operating and development grants from the State

Government shall ensure that **only allocations endorsed by the State Budget Committee** are reflected in the Draft Annual Budget Estimates for the Financial Year 2027. Where there are subsequent changes to the approved allocations, the Draft Annual Budget Estimates shall be amended accordingly.

6.0 OPERATING AND CAPITAL BUDGET

6.1 All State Statutory Bodies and Government-Linked Companies shall exercise prudent financial management and ensure that the expenditure is managed efficiently and economically. Accordingly, the operating and capital budgets for the Financial Year 2027 shall be prepared in accordance with **the approved annual work plan and operational requirements**.

7.0 DEADLINE FOR SUBMISSION OF THE DRAFT ANNUAL BUDGET ESTIMATES FOR THE FINANCIAL YEAR 2027

7.1 To facilitate the timely review of the Draft Annual Budget Estimates by the State Financial Secretary's Office ("SFSO") and the Special Cabinet Committee ("CABCOM"), Statutory Bodies shall submit the Draft Annual Budget Estimates, through their respective Ministry-in-Charge, as soon as they have been finalised and endorsed. The submission deadlines set out below represent the latest permissible dates and should not be regarded as the target submission dates.

Submission to	**Deadline**	**Copies Required**
State Financial Secretary's Office	**18th September 2026** (Friday)	one (1) copy
Secretariat of the Special Cabinet Committee ("CABCOM")	**2nd October 2026** (Friday)	fifteen (15) copies

Note: Government-Linked Companies are not required to submit the Draft Annual Budget Estimates for the Financial Year 2027 to the CABCOM Secretariat.

8.0 CONCLUSION

8.1 In line with the reminder set out in the State Financial Secretary Circular No. 6/2026: Guidelines on the Preparation and Submission of Revenue and Expenditure Estimates 2027 dated 22 May 2026, all Statutory Bodies and Government-Linked Companies shall observe the following:

8.1.1 Ensure that the Draft Annual Budget Estimates are prepared diligently and prioritised in accordance with the outcome framework of the respective Ministries and Departments to improve the standard of living and promote sustainable economic growth in Sarawak;

8.1.2 Ensure that expenditure strategies are guided by priorities, implementation capacity and readiness, and are carried out prudently to optimise resource utilisation and facilitate smooth implementation of programmes and projects;

8.1.3 Establish effective internal controls to monitor expenditure under their responsibility and ensure compliance with prudent financial management practices to prevent wastage, inefficiency, and leakage of public funds;

8.1.4 Enhance the capability, professionalism and competency of officers to ensure the effective implementation of programmes and projects and the achievement of their intended outcomes and objectives; and

8.1.5 Plan and prepare cash flow estimates for programmes and projects carefully and accurately to minimise the need for additional allocations and ensure their timely and efficient implementation within the approved budget.

8.2 The respective Ministry-in-Charge and Statutory Bodies shall address all audit observations promptly and take the necessary corrective actions to rectify identified weaknesses, thereby preventing the recurrence of similar instances of non-compliance.

8.3 Statutory Bodies and Government-Linked Companies shall remain fully responsible and accountable for management of their finances, accounts, and assets, and shall ensure compliance with all applicable financial laws, regulations, and directive in force.

8.4 Statutory Bodies and Government-Linked Companies shall ensure that all approved activities are implemented in a timely and effective manner, in accordance with the approved schedule and within the allocated budget. Last-minute spending and budget overruns shall be avoided, and any expenditure incurred without prior budgetary approval is strictly prohibited.

9.0 INQUIRY

9.1 For any enquiries or further information regarding this Circular, please contact the Statutory Body Monitoring Unit, State Financial Secretary's Office ("SFSO"). The contact details of the responsible officers are available on the SFSO official website.

Thank you.

"BERSATU BERUSAHA BERBAKTI"

"AN HONOUR TO SERVE"

(DATO SRI DR. WAN LIZOZMAN BIN WAN OMAR)
State Financial Secretary
Sarawak

Salinan kepada:

1. Yang Berhormat, Setiausaha Kerajaan Negeri
2. Yang Arif, Peguam Besar Negeri Sarawak
3. Akauntan Negeri Sarawak
4. Pengarah, Jabatan Audit Negara Cawangan Sarawak
5. Pengarah, Unit Audit Dalam, Jabatan Premier Sarawak
6. Pengarah, Unit Integriti dan Ombudsman Negeri, Jabatan Premier Sarawak

Distribution List:

State Statutory Body:

1. Group Chief Executive Officer, Sarawak Economic Development Corporation (SEDC)
2. General Manager, Bintulu Development Authority (BDA)
3. Chief Executive Officer, Sarawak State Library (PUSTAKA)
4. Chief Executive Officer, Regional Corridor Development Authority (RECODA)
5. **Copy to the Ministry-in-Charge:**
   State Secretary (For Attention: Director, Administration Unit, Department of the Premier of Sarawak)

6. General Manager, Land Custody and Development Authority (LCDA)
7. General Manager, Sarawak Timber Industry Development Corporation (STIDC)
8. Chief Executive Officer, Sarawak Forestry Corporation (SFC)
9. Controller, Natural Resources and Environment Board (NREB)
10. **Copy to the Ministry-in-Charge:**
    Permanent Secretary, Ministry of Natural Resources and Urban Development Sarawak (MUDeNR)

11. Chief Executive Officer, Sarawak Sports Corporation (SSC)
12. **Copy to the Ministry-in-Charge:**
    Permanent Secretary, Ministry of Youth, Sports and Entrepreneur Development Sarawak (MYSED)

13. Chief Executive Officer, Sarawak Tourism Board (STB)
14. Chief Executive Officer, Sarawak Arts Council (SAC)
15. Secretary, Sarawak Heritage Council (SHC)
    (For Attention: Director, Sarawak Museum Department)
16. Chief Executive Officer, Sarawak Craft Council (SCC)
17. **Copy to the Ministry-in-Charge:**
    Permanent Secretary, Ministry of Tourism, Creative Industry and Performing Arts Sarawak (MTCP)

18. General Manager, Sarawak Land Consolidation and Rehabilitation Authority (SALCRA)
19. General Manager, Sarawak Land Development Board (SLDB)

20. General Manager, Sago and Nipah Development Board (SNDB)

21. General Manager, Sarawak Rubber Industry Board (SARIB)

22. **<u>Copy to the Ministry-in-Charge:</u>**
    Permanent Secretary, Ministry of Food Industry, Commodity and Regional Development Sarawak (M-FICORD)

23. Controller, Sarawak Rivers Board (SRB)

24. **<u>Copy to the Ministry-in-Charge:</u>**
    Permanent Secretary, Ministry of Transport Sarawak (MOTS)

25. General Manager, Rajang Port Authority (RPA)

26. General Manager, Miri Port Authority (MPA)

27. General Manager, Tanjung Manis Port Authority (TMPA)

28. Coordinator, Samalaju Port Authority (SPA)

29. General Manager, Kuching Port Authority (KPA)

30. **<u>Copy to the Ministry-in-Charge:</u>**
    Permanent Secretary, Ministry of Infrastructure and Port Development Sarawak (MIPD)

31. Director, Sarawak Foundation (Yayasan Sarawak) (YS)

32. General Manager, Sarawak Research and Development Council (SRDC)

33. Chief Executive Officer, Sarawak Biodiversity Centre (SBC)

34. **<u>Copy to the Ministry-in-Charge:</u>**
    Permanent Secretary, Ministry of Education, Innovation and Talent Development Sarawak (MEITD)

35. Chief Executive Officer, Housing Development Corporation (HDC)

36. **<u>Copy to the Ministry-in-Charge:</u>**
    Permanent Secretary, Ministry of Public Health, Housing and Local Government Sarawak (MPHLG)

37. General Manager, Sarawak Multimedia Authority (SMA)

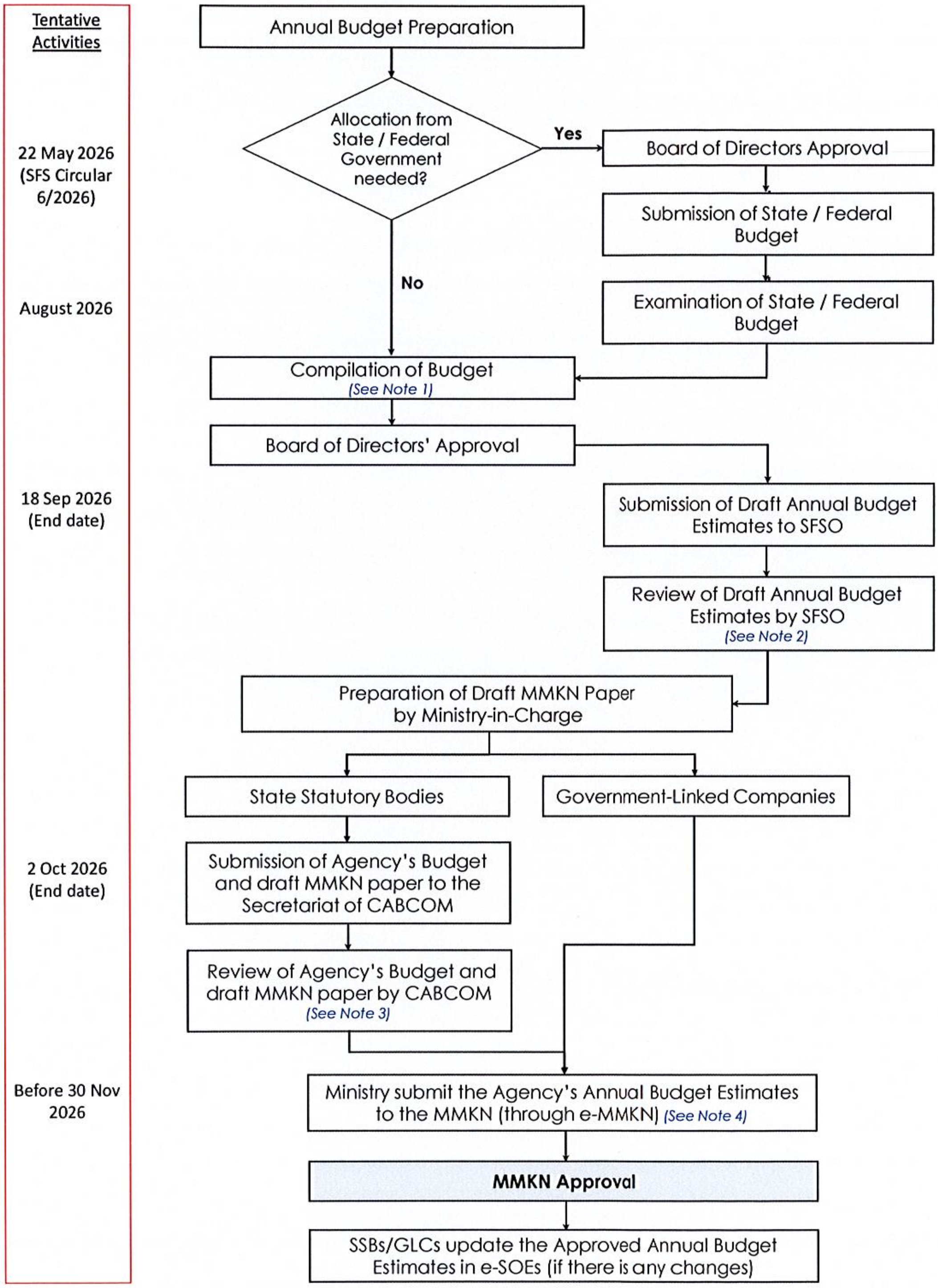
38. **<u>Copy to the Ministry-in-Charge:</u>**
    Permanent Secretary, Ministry of Utilities and Telecommunications (MUT)

Gazetted Government-Linked Companies:

1. Chief Executive Officer, Development Bank of Sarawak Berhad (DBOS)
2. Group Chief Executive Officer, Petroleum Sarawak Berhad (PETROS)
3. Chief Executive Officer, Sarawak Digital Economy Corporation Berhad (SDEC)
4. Chief Executive Officer, Sarawak Trade and Tourism Co. Pte. Ltd. (STATOS)
5. Chief Executive Officer, Sarawak Metro Sdn. Bhd. (SMETRO)
6. Chief Executive Officer, Sarawak Media Group Sdn. Bhd. (SMG)
7. Chief Executive Officer, SMD Semiconductor Sdn. Bhd. (SMD)
8. Chief Executive Officer, Sarawak Infectious Disease Centre Sdn. Bhd. (SIDC)
9. Chief Executive Officer, Invest Sarawak Sdn. Bhd. (INVESTSARAWAK)

Appendix A

Flowchart for Preparation of Annual Budget Estimates for State Statutory Bodies and Government-Linked Companies



Abbreviation:

- *SFSO – State Financial Secretary's Office*
- *UNIONS – Sarawak Integrity and Ombudsman Unit, Department of the Premier of Sarawak*
- *CABCOM – Special Cabinet Committee, where UNIONS serve as the Secretariat*
- *e-SOEs – Sarawak State-Owned Enterprises Monitoring System*

Notes:

1. *Agencies must include allocations certified/approved by State/Federal Government and amend the Draft Annual Budget Estimates, if there are changes to the requested allocation.*
2. *The SFSO will review the accuracy of data based on the prescribed format and subsequently advice the Agency to liaise with the Ministry-in-Charge for preparation of the MMKN paper.*
3. *CABCOM will access, review and examine Agency's Draft Annual Budget Estimates and make recommendations.*
4. *Agency will incorporate comments and recommendations by CABCOM into the draft MMKN paper and a copy shall be forwarded to CABCOM. Government-Linked Companies are not required to submit MMKN paper to CABCOM.*

STATUTORY BODY / SUBSIDIARY COMPANY NAME

(If a subsidiary company, state: "*A subsidiary company of [Statutory Body Name]*")

2027 BUDGET SUMMARY

The 2027 budget summary shall, at a minimum, include the following:

A. BACKGROUND

Provide a brief overview of the organisation, including:

1. Date and legal basis of establishment/incorporation;
2. Objectives and core functions/business activities; and
3. Details of subsidiary companies (if any).

B. BUDGET FRAMEWORK AND STRATEGIC THRUST

Provide a brief write-up on the budget framework and strategic thrust in accordance with State Financial Secretary Circular No. 6/2026: Guidelines on the Preparation and Submission of Revenue and Expenditure Estimates for 2027.

C. 2027 BUDGET PROPOSALS

Provide a summary of the proposed 2027 budget for consideration, clearly indicating the estimated **revenue, operating expenditure, capital expenditure, and development expenditure**. The write-up shall also include:

i. Expected physical achievements for the current financial year;
ii. Planned output, physical targets, and key assumptions for the budget year;
iii. Explanations for any significant increase or decrease in revenue and expenditure compared with the current year's expected result;
iv. Financing plan, where an operating deficit is projected;
v. Loan repayment details; and
vi. The impact of the proposed budget on the Pro-forma Statement of Profit or Loss and Other Comprehensive Income, Pro-forma Statement of Financial Position and Pro-forma Statement of Cash Flows.