sion says, in effect, that the Comptroller General would take a look at the overall adequacy of the auditing system of each State and come to a conclusion as to whether that system is adequate and meets proper accounting standards.

After such a finding of adequacy under this proposal, Federal agencies would then be obliged to accept the State audits as being responsible without having to rely on a duplicating agency audit. That is the purpose of the amendment.

Senator MUSKIE. His comments are clearly directed to amendment No. 748. It may be that you would like to discuss his comments with him to see whether or not his opposition is based upon a misconception of the legislation or whether the legislation clearly defines what you had in mind for it.

He also had a second paragraph of comment in his letter which I shall refer to now. He says:

> In a practical sense, the requirement of subsection (b) to study and review the accounting and auditing systems of the many states and political subdivisions which are the recipients of Federal programs would be an undertaking beyond the resources of our office, considering our responsibilities. In addition, subsections (b) and (c) imply that the Comptroller General has prescribed principles, standards and related requirements concerning accounting and auditing by the states and political subdivisions with respect to the expenditure of Federal aid funds. Such is not the case. We do not believe it would be appropriate for the Comptroller General to prescribe such standards and procedures for adoption by state and local agencies. These are matters which should be worked out by the executive agencies and the state and local bodies and made a part of the grant agreements centered on individual programs.

We would be happy to make available to you a copy of the Comptroller General's comments dated May 8. Perhaps it might be helpful to all concerned if you were to discuss it with him to see whether or not the difficulties he sees can be resolved in any way.

Mr. COLMAN. It does not surprise me at all, Mr. Chairman, that concern is expressed with regard to subsection (b). This would involve an increase, a significant increase in the staff of the Comptroller General. The question I think the Congress has to consider is whether by making a modest increase in the staff of the Comptroller General for purposes of examining the auditing systems of the States on more than a spot basis, but on a rather general basis, will mean a consequent elimination of the necessity of literally hundreds and thousands of Federal agency auditors going into those States to duplicate audits already made by the State auditors. So I think in a way, that question is comparable in terms of money and resources to the one that frequently comes up in connection with the Internal Revenue Service. You can spend some more money to put more agents on the payroll, but if you put them on the payroll, they bring in additional revenues to the Federal Government. I think the same kind of possible economies face the Congress with respect to the provisions of this amendment.

Senator MUSKIE. I think we ought to have some estimate in the record of what additional staff resources the Comptroller General would require in order to perform this function and the estimated cost. Then, as I say, it seems to suggest that some of the proposed responsibilities are inconsistent with the congressional concept of the Comptroller General's office. I think that perhaps it would be helpful if we have some consideration at this point between the two of you.