



[HOME](#) » [PRESS ROOM](#) » [PRESS RELEASES](#) »: [NEARLY THREE QUARTERS OF SENIOR FINANCIAL EXECUTIVES SUPPORT STOCK OPTIONS EXPENSING](#)

Nearly Three Quarters of Senior Financial Executives Support Stock Options Expensing, Global Accounting Standards

SEARCH:

GO

Press Room

- » [About Grant Thornton](#)
- » [Calendar of Events](#)
- » [Grant Thornton Ads](#)
- » [Grant Thornton in the News](#)
- » [Media Resources](#)
- » [Press Releases](#)
- » [Client Testimonials](#)

[\[back to main\]](#)

Nearly three-quarters of respondents says that greater transparency is needed in financial reporting; more than half do not think accounting firms should do both the audit and assist with documentation of internal controls.

CHICAGO, Aug. 24, 2004 – The majority of U.S. senior financial executives are in support of stock option expensing, reports a survey recently conducted by Grant Thornton LLP, the country's fifth largest accounting firm, and U.S. member firm of Grant Thornton International, one of the six global accounting organizations, with more than three-quarters of respondents saying they agree with such measures.

"By expensing stock options, you'll improve the reporting of true economics, and you'll also put all incentive plans on an equal footing," said Grant Thornton Chief Executive Officer Edward Nusbaum. "This will most likely lead to incentives other than traditional fixed stock options being used, which may be better suited to coordinate the incentives of the employees with the returns to shareholders."

The survey also finds that nearly three-quarters of respondents believe that there should be global accounting standards (76 percent), and that greater transparency is needed in financial reporting.

"Transparency is the emerging competitive advantage," said Mike Starr, Grant Thornton U.S. managing partner of professional excellence. "Research points to a strong correlation between high quality, transparent disclosures and lower cost of capital and less market volatility. Clearly, better information leads to better management, better governance and better markets."

In addition, more than half of the surveyed executives (52 percent) think that accounting firms should not document internal controls while performing an audit.

"As a result, Grant Thornton does not provide internal control services to clients because we believe it violates the spirit of the Sarbanes-Oxley Act," said Nusbaum. "There are areas in Sarbanes-Oxley that can be interpreted differently, but we believe that the guide through grey areas should be in seeking the intent of the drafters of the legislation, and their quest for better protecting investors."

Other survey findings include:

Should stock options be expensed?

- 71 percent yes, 29 percent no (overall)
- 72 percent yes, 28 percent no (public companies)
- 70 percent yes, 30 percent no (private companies)

Other Related Links:

- » [Survey of U.S. Business Leaders](#)
- » [Grant Thornton's five-point plan to restore public trust](#)
- » [Subscribe to Grant Thornton's newsletters](#)
- » [Sarbanes-Oxley Resource Center](#)
- » [Contact a Grant Thornton Professional](#)

Do we need greater transparency in financial reporting?

70 percent yes, 30 percent no (overall)
72 percent yes, 28 percent no (public companies)
69 percent yes, 31 percent no (private companies)

Should there be quicker disclosure to investors regarding insider trading?

38 percent yes, 62 percent no (public companies)
76 percent yes, 24 percent no (private companies)

Should there be uniform global accounting standards?

76 percent yes, 24 percent no (overall)
85 percent yes, 15 percent no (public companies)
75 percent yes, 25 percent no (private companies)

Should we adopt a principles based approach to accounting standards?

80 percent yes, 20 percent no (overall)
69 percent yes, 31 percent no (public companies)
85 percent yes, 15 percent no (private companies)

Do we need a comprehensive revenue recognition statement?

76 percent yes, 24 percent no (overall – same for public and private companies)

Has your firm set up a whistle blower policy?

83 percent yes, 17 percent no (public companies)
27 percent yes, 73 percent no (private companies)

Do you think it is right for an accounting firm to do both the audit and assist with documentation of internal controls?

48 percent yes, 52 percent no (public companies)

Do you think it is appropriate for an accounting firm to do both audit and tax work for a company?

83 percent yes, 17 percent no (overall)
86 percent yes, 14 percent no (public companies)
82 percent yes, 18 percent no (private companies)

The survey was conducted by The Strategy, Execution, and Valuation in the Kellstadt Graduate School of Business at DePaul University, and surveyed 101 senior financial executives at public and private companies.

About Grant Thornton

Grant Thornton International is the world's leading accounting, tax and business advisory organization dedicated to mid-size companies. Through its network of 585 offices in 110 countries, including 48 offices in the United States, partners of the member firms of Grant Thornton provide personal attention and seamless service delivery to public and private clients around the globe. Grant Thornton LLP's web site is [www.Grant Thornton.com](http://www.GrantThornton.com).