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Who Protects the Watchdog?

What LAHSA's audit-chair change reveals about oversight independence

Publication Edition · Evidence-attributed analysis

Executive Summary

A leadership transition on the Los Angeles Homeless Services Authority's Audit Committee, occurring while significant audit work was active, provides a useful test of whether oversight independence is protected by durable governance safeguards rather than individual officeholders. The reviewed evidence does not establish retaliation, political interference, audit suppression, or other improper motive.

On Aug. 19, 2026, LAHSA's published Audit Committee agenda identified Commissioner Justin Szlasa as chair. Nine days later, the Commission's published meeting packet listed Commissioner Charles Stringer as Audit Committee chair, with Szlasa remaining as a member. The packet placed committee assignments before the Commission but did not state written selection criteria, a transition process, or a reason for the leadership change. LAist subsequently reported that the full Commission approved the assignments, that Commission Chair Stephanie Graves described committee assignments as her prerogative, and that LAHSA characterized year-to-year chair changes as normal.

Those facts support a governance inquiry. BeaconStone found no reviewed public record showing that an audit was canceled, narrowed, delayed, or altered because of the chair change. The fact that a public record does not explain a decision is not proof that the decision was improper.

After BeaconStone sought comment, LAHSA provided additional primary-source evidence that materially narrowed the concern. LAHSA identified the Commission Chair's appointment authority in Section V.A.2.f of its bylaws, supplied historical committee-assignment records supporting its position that chair turnover is routine, and stated that the Audit Committee charter preserves continuity across leadership changes. The remaining question is narrower: the reviewed record does not establish substantive selection criteria beyond the Audit/Finance Committee incompatibility rule or whether the August transition affected any audit then underway.

The narrower concern is structural. An audit committee helps set the conditions under which internal auditors can choose subjects, obtain records, elevate disputes, communicate findings, and monitor corrective action. Even when a leadership change is lawful and routine, unexplained discretion during sensitive work can create a preventable risk to independence — or to the public appearance of independence.

LAHSA's own August 2026 audit materials stated that internal audit must remain independent and exercise objective professional judgment. The Institute of Internal Auditors and the U.S. Government Accountability Office likewise treat independence as an organizational condition, not merely a promise of good intentions. Their standards emphasize direct access to the governing body, protection from undue influence, clear

reporting relationships, and safeguards against threats both in fact and in appearance.

BeaconStone therefore recommends that LAHSA adopt a public Audit Oversight Independence Protocol. The protocol should preserve the Commission's ability to rotate leadership while adding published substantive selection criteria, publicly auditable continuity safeguards, agenda-access rules, direct auditor access, disclosure of material interference, and a public record of open audits and corrective actions.

This is not a verdict about a person. It is a test of a system. Sound oversight should not depend on who holds the chair, who appoints the chair, or whether the public trusts either one.

Evidence Guardrails

BeaconStone applies five evidence statuses throughout this inquiry:

- **AVAILABLE** — the relevant fact is established in a reviewed public record.
- **PARTIAL** — some information is public, but an important part of the explanation or process is missing.
- **FRAGMENTED** — relevant information appears across separate records and must be reconciled.
- **CONFLICTING** — authoritative records materially differ and cannot be treated as interchangeable without further evidence.
- **NOT PUBLICLY ESTABLISHED** — the reviewed public record does not establish the proposition; this does not mean the information does not exist internally.

These statuses are methodological guardrails: a gap in public information is not converted into an accusation.

1. Start With the Narrow Question

The easiest version of this story is also the least responsible: an auditor exposed embarrassing facts and was therefore removed. The reviewed evidence does not establish that sequence as cause and effect.

The relevant public-policy question is different: does LAHSA's governance structure adequately protect audit independence, continuity, and public confidence when Audit Committee leadership changes?

That question can be examined without deciding anyone's motive. It asks whether the rules are strong enough to make an ordinary transition look ordinary, to make an improper intervention difficult, and to leave an evidence trail that allows the public to tell the difference.

2. What the Official Record Establishes

LAHSA is governed by a Commission whose published materials identify its commissioners and leadership.

The timeline begins before the leadership change. The minutes of the Audit Committee's Jul. 20, 2026 meeting, included in the committee's August packet, recorded a "Practical Discussion of Independence of Internal Audit Function." The summary referred to delays and obstacles, responsibilities, and escalation paths. The minutes do not prove interference. They do establish that independence and escalation were active governance subjects.

The published agenda for Aug. 19, 2026 identified Justin Szlasa as Audit Committee chair, with Tanisha Saunders and Charles Stringer as members. The supporting materials described several workstreams: a Continuum of Care grant-utilization review completed on Aug. 4, 2026; a signatory-authority review in progress; and a provider invoice-processing and payment-controls audit in progress.

The same packet included a presentation stating that internal audit “must remain independent and exercise objective professional judgment.” It explained that independence supports the ability to determine scope, perform work, and communicate results without undue interference. The presentation cited the Institute of Internal Auditors’ Global Internal Audit Standards.

The Commission packet for Aug. 28, 2026 included an agenda item for the nomination and acceptance of committee assignments. A presentation by Commission Chair Stephanie Graves listed Charles Stringer as Audit Committee chair; Sarah Rodrigues and Justin Szlasa as members; and Tanisha Saunders as alternate.

Evidence status: AVAILABLE for the published committee rosters, the agenda item, and the audit work identified in the official packets.

LAist reported on Sep. 4, 2026 that the full Commission approved the assignments. The article quoted Graves as saying that committee assignments were her prerogative and reported LAHSA’s explanation that committee chairs normally change from year to year. LAist also reported that at least one committee chair had served a second consecutive year in the past.

Evidence status: AVAILABLE as attributed reporting about the public meeting and the explanations provided to the news organization. BeaconStone did not treat the article’s characterizations or quoted opinions as substitutes for official findings.

2A. Requests for Comment and Response Record

On September 6, 2026, BeaconStone requested comment from LAHSA and asked that Commission Chair Stephanie Graves, Commissioner Charles Stringer, and Commissioner Justin Szlasa also be given an opportunity to respond. On September 8, Christopher Yee responded for LAHSA, copying Paul Rubenstein, and stated that committee assignments are made at the discretion of the Commission Chair, who is elected annually. LAHSA also supplied a representative annual sample of committee assignments from January 2023 through August 2026.

BeaconStone sent a narrower four-question follow-up. On September 9, Yee identified Section V.A.2.f of the Commission bylaws as the source of the chair’s committee-appointment authority, stated that the only specific Audit Committee appointment criterion is that no commissioner may concurrently serve on both the Audit and Finance Committees, and stated that the Audit Committee charter ensures continuity regardless of committee membership or chair. LAHSA did not answer BeaconStone’s remaining question asking whether the August 2026 chair change actually altered the scope, timing, access, findings, reporting, or corrective-action process of any audit or internal review then underway. BeaconStone has incorporated both LAHSA responses and the supporting governance materials into this final analysis.

3. What the Record Does Not Establish

The reviewed public record does not establish:

- that Szlasa's change in role was retaliation for any audit or criticism;
- that Mayor Karen Bass, her staff, or another outside official directed the assignment;
- that Stringer was selected to weaken, delay, or redirect oversight;
- that LAHSA's internal auditors were instructed to stop, narrow, or alter an audit;
- that any audit finding was suppressed;
- that the reassignment violated a statute, bylaw, charter, or published rule; or
- that Stringer cannot or will not lead the committee independently.

These propositions are NOT PUBLICLY ESTABLISHED in the materials BeaconStone reviewed.

The distinction matters. Timing may justify scrutiny, but timing alone is not causation. A discretionary decision may be insufficiently explained without being corrupt. A leadership rotation may create a risk to public confidence without proving that the underlying purpose was improper.

Opacity creates risk in both directions. Where governance rules and transition records are unclear, an improper intervention may be harder to detect — but an entirely legitimate leadership rotation may also attract suspicion that a clearer public record could have prevented. Transparency therefore protects both oversight independence and the people exercising lawful governance authority.

The strongest evidence-based conclusion is therefore not that LAHSA punished a watchdog. The historical committee-assignment record supplied directly by LAHSA supports the agency's position that changes in committee leadership are a normal feature of its governance. LAHSA's follow-up response also establishes that the Commission Chair's appointment authority is grounded in Section V.A.2.f of the Commission bylaws and that the agency relies on the Audit Committee charter for continuity across leadership changes. What remains unresolved is narrower: BeaconStone has not identified published substantive selection criteria beyond the stated Audit/Finance Committee incompatibility rule, a written automatic-rotation rule, or evidence establishing whether the August 2026 change affected any audit then underway.

4. Why an Audit-Committee Chair Matters

LAHSA's bylaws identify the Commission Chair's appointment authority, but the materials reviewed for this paper do not contain a complete description of the Audit Committee chair's operational authority. That distinction counsels against overstating the formal power of the committee-chair position.

These are separate governance questions. Section V.A.2.f of the Commission bylaws establishes the Commission Chair's authority to recommend committee appointments for Commission approval. The Audit Committee charter, by contrast, is the mechanism LAHSA identifies as preserving continuity across changes in committee membership or leadership. Appointment authority and operational continuity should therefore not be treated as interchangeable.

But committee leadership matters in practice. A chair can influence meeting cadence, the order and framing of agenda items, how unresolved questions return to the committee, how much time is devoted to findings and corrective action, and how the committee communicates with internal audit leadership and the full governing body.

According to LAist, Szlasa said the chair sets the committee’s agenda and leads oversight of internal audit between meetings. BeaconStone treats that as an attributed account, not an independently established rule.

Szlasa’s continued service as a committee member is also material. This was not removal from the Commission, removal from the Audit Committee, or dismissal of LAHSA’s internal audit leadership. A multi-member committee provides additional voices, and a leadership change does not automatically end an inquiry.

Those counterweights narrow the claim. They do not eliminate the governance issue. If agenda access, escalation rights, and audit continuity depend mainly on informal practice or the preferences of one chair, then the system remains vulnerable even when every current participant acts in good faith.

5. Independence Is an Architecture, Not a Personality

Independence does not mean that an auditor or oversight committee is unaccountable. It means that the people being examined cannot improperly control what is examined, what evidence is obtained, what findings are communicated, or whether unresolved risks reach the governing body and the public.

LAHSA’s own August Audit Committee materials frame independence in similar terms. They state that internal audit should be able to determine its scope, perform its work, and communicate results without undue interference.

The Institute of Internal Auditors’ Global Internal Audit Standards place responsibility on the board to establish and protect the internal audit function’s independence. The standards emphasize direct accountability to the board, unrestricted access, functional reporting relationships, sufficient resources, and candid discussion of actual or perceived impairments.

The Government Accountability Office’s Government Auditing Standards similarly require auditors and audit organizations to be free from organizational and external impairments. The Yellow Book treats both independence of mind and independence in appearance as relevant because public confidence depends not only on whether judgment was actually compromised, but also on whether a reasonable observer could question the conditions under which the work was performed.

These standards do not dictate a single committee-assignment procedure for LAHSA. Nor do they make a change in committee chair equivalent to removing a chief audit executive or inspector general. They do, however, supply a useful principle: oversight independence is strongest when access, agenda rights, reporting authority, resources, and leadership transitions are governed by transparent safeguards rather than personal assurances.

6. The Change Occurred During a Live Audit Agenda

The timing deserves attention because the Audit Committee was not dormant.

The August packet identified recent or ongoing reviews involving Continuum of Care grant utilization, signatory authority, and provider invoice-processing and payment controls. These subjects touch the movement and authorization of public funds.

The August Commission packet also contained material from KPMG's organizational review. That work described finance and operational processes that relied heavily on manual steps and fragmented systems, including limitations in readily tracking vendor-payment information. LAHSA publicly presented reform actions in response.

Evidence status: AVAILABLE for the existence and stated status of these workstreams and for the findings contained in the published packet.

What is NOT PUBLICLY ESTABLISHED is whether the chair change affected any of them. BeaconStone found no reviewed record showing that deadlines moved, scopes changed, access was denied, findings were softened, or corrective actions were abandoned after the reassignment.

That is precisely why a continuity safeguard is valuable. A public transition record can preserve the status, scope, next reporting date, unresolved access issue, and responsible owner for each open audit. It protects the work without requiring the public to infer either misconduct or harmlessness from silence.

7. The Counterpoint: Rotation Can Be Legitimate

There are legitimate reasons to rotate committee leadership.

Rotation can distribute responsibility, develop governing-board capacity, bring a fresh perspective to recurring problems, and prevent one committee from becoming identified with a single personality. A Commission chair may need flexibility to balance workloads, expertise, attendance, and institutional priorities. A full Commission vote also provides more accountability than a unilateral administrative reassignment.

LAHSA subsequently told BeaconStone directly that committee assignments are made at the discretion of the annually elected Commission Chair and supplied a representative annual sample of committee assignments from January 2023 through August 2026. The supplied record shows a different chair for each annual snapshot of the standalone Audit Committee: Yasmine McMorrin as of January 2025, Justin Szlasa as of January 2026, and Charles Stringer in the assignments made in August 2026. Szlasa remained a member of the Audit Committee. LAHSA later identified Section V.A.2.f of the Commission bylaws as the source of appointment authority and said the only specific Audit Committee appointment criterion is the bar on concurrent service on the Audit and Finance Committees. This primary-source evidence materially supports LAHSA's position that committee-chair turnover is a normal feature of its governance; it does not establish an automatic annual-rotation rule or broader substantive selection criteria.

A sound reform should therefore not freeze one commissioner in office, convert a committee chair into an untouchable official, or presume that rotation is suspicious. It should make rotation legible.

If assignments follow published terms and criteria, if the governing body records the decision, if open audits receive a continuity handoff, and if any member or the internal audit leader can elevate interference, then a change in chair can occur without placing the credibility of the audit function at risk.

8. The Public-Governance Gap

In the materials reviewed, BeaconStone did not locate a publicly stated substantive set of criteria for selecting the Audit Committee chair, a fixed or presumptive term, or a written rationale accompanying the August reassignment. LAHSA's September 8 response establishes that committee assignments are discretionary and supplies historical evidence of recurring leadership changes. Its September 9 follow-up identifies Section V.A.2.f of the Commission bylaws as the source of the Commission Chair's appointment authority, states that the only specific Audit Committee appointment criterion is that a commissioner may not concurrently serve on the Audit and Finance Committees, and states that the Audit Committee charter ensures continuity when membership or leadership changes.

BeaconStone also did not locate, in the meeting packets examined, a clearly published rule allowing a defined minority of committee members or the internal audit leader to place an audit matter on the agenda over a chair's objection.

Evidence status: PARTIAL. The governing appointment authority and LAHSA's stated continuity mechanism are now established; the substantive selection criteria and the real-world effect, if any, of the August transition on active audit work remain not publicly established.

This wording is deliberate. The procedures may exist in a charter, policy, counsel's advice, or internal practice not included in the records reviewed. Their absence from the reviewed packets is not proof that no safeguard exists.

But an independence safeguard that the public cannot identify has limited value for public confidence. Where an audit function oversees politically sensitive programs and large flows of public money, core protections should be easy to find, durable across leadership changes, and specific enough to test.

9. BeaconStone's Recommendation: An Audit Oversight Independence Protocol

LAHSA should adopt and publish an Audit Oversight Independence Protocol approved by the full Commission. It should apply regardless of who chairs the Commission, who chairs the Audit Committee, or who leads internal audit.

At minimum, the protocol should include:

- **Published leadership terms and criteria.** State the expected term, eligibility, relevant qualifications, succession process, and factors the Commission may consider when assigning or replacing the Audit Committee chair.
- **Recorded decisions.** Place chair assignments and mid-term changes on a public agenda for Commission action. Provide a concise governance rationale that protects legitimate personnel confidentiality while explaining the applicable criterion.
- **Audit continuity memoranda.** At every leadership transition, publish a status record for each open audit: objective, approved scope, stage, unresolved access or resource issue, next reporting date, responsible official, and outstanding corrective actions.
- **Shared agenda access.** Allow the internal audit leader or a defined minority of Audit Committee members to place an audit item on a future agenda. If an item is deferred, record the reason and the next expected consideration date.

- **Direct access and executive sessions.** Guarantee internal audit direct access to the full Audit Committee and Commission, including confidential sessions when legally appropriate, without prior clearance by officials whose programs are under review.
- **Annual independence confirmation.** Require the internal audit leader to report at least annually on organizational independence, scope restrictions, access delays, resource constraints, and any attempt to influence findings or reporting.
- **Commission control of the audit mandate.** Require the Audit Committee or full Commission to approve the audit charter, risk-based plan, material scope changes, budget, and staffing level. Publicly disclose material reductions or deviations and the stated reason.
- **A public audit-and-corrective-action register.** Maintain a downloadable list of planned, active, completed, deferred, and canceled audits; publication dates; management responses; corrective-action owners; due dates; extensions; and closure evidence.
- **Periodic external assessment.** Commission a qualified, independent review of the internal audit function's conformance and organizational independence on a regular cycle, and publish the results and remediation plan.

These safeguards do not decide what any audit should find. They protect the conditions under which credible findings — favorable or unfavorable — can be reached.

10. What This Means for a Homelessness Inspector General

The August chair change does not, by itself, prove the need for a new inspector general. It does offer a concrete design lesson for any homelessness oversight office Los Angeles creates.

An inspector general whose jurisdiction, budget, access, publication authority, or tenure can be materially changed without transparent safeguards may be independent in name while remaining dependent in operation.

A credible homelessness inspector general framework should therefore provide:

- A defined appointment process and term, with qualifications tied to audit, investigation, law, public administration, or comparable oversight experience.
- Removal only through a specified process, with advance notice and a public statement of reasons subject to lawful personnel and investigative protections.
- A budget process that prevents officials under review from quietly eliminating the office's practical capacity, while preserving ordinary fiscal oversight.
- Direct and timely access to contracts, invoices, case-management and payment systems, provider records, correspondence, and other evidence within lawful privacy limits.
- Authority to initiate audits and investigations based on risk, complaints, data, or professional judgment — not solely at the request of elected or agency leadership.
- Authority to communicate final findings directly to the governing body and the public, with narrow, defined exceptions for privacy, due process, security, and active law-enforcement needs.
- Jurisdiction that follows homelessness funds across City, County, LAHSA, prime providers, and material subcontractors, because public accountability should follow the money downstream.

- A duty to disclose material interference, denied access, unreasonable delay, or an attempt to prevent publication, together with a documented escalation path.
- A public recommendation tracker showing responsible entities, target dates, management responses, implementation evidence, and unresolved risk.

Federal inspector-general structures are not a perfect template for LAHSA or local government. They do illustrate why appointment, removal, reporting, access, and publication rules are treated as core independence questions rather than administrative details. GAO and CIGIE materials likewise identify removal protections and related structural safeguards as important to inspector-general independence and public confidence.

The governing principle is simple: the office should remain accountable for the quality and legality of its work without being dependent on the comfort of the institutions it examines.

11. Conclusion

Who protects the watchdog?

The durable answer is a governance structure — not one commissioner, auditor, article, or assurance. It must permit routine leadership change while protecting audit scope, access, continuity, escalation, and publication.

The record establishes that LAHSA changed Audit Committee chairs while significant work was active and that the prior chair remained on the committee. It does not establish retaliation, improper direction, or an effect on any audit.

LAHSA's responses materially narrow the concern. Its historical record supports the proposition that committee-chair turnover is ordinary; its bylaws identify the Commission Chair's appointment authority; and LAHSA states that the Audit Committee charter provides continuity across changes in membership or leadership. The remaining weakness is narrower but still important: the public record reviewed by BeaconStone does not identify substantive selection criteria beyond the Audit/Finance Committee incompatibility rule, and LAHSA did not confirm whether the August 2026 transition affected any audit then underway. Opacity is not proof of wrongdoing, but where an oversight system depends on discretionary leadership changes, the public should be able to test continuity against a clear record rather than inference.

A public Audit Oversight Independence Protocol would let future transitions be judged by rules rather than suspicion — and make material interference visible.

Sources & Further Reading

BeaconStone Foundation believes public-policy arguments should be grounded in evidence readers can examine for themselves. The principal sources used in this publication include:

- **LAHSA Audit Committee Agenda and Supporting Documents** — August 2026. Establishes the committee roster, audit workstreams, July meeting summary, and LAHSA's own statements about internal-audit independence. (LAHSA, Aug. 19, 2026)

- **LAHSA Commission Agenda and Revised Supporting Documents** — August 2026. Contains the committee-assignment agenda item, the published Audit Committee assignments, and KPMG organizational-review materials. (LAHSA, Aug. 28, 2026)
- **LAHSA Commission** — describes the Commission's governance role and identifies current commissioners and Commission leadership.
- **Institute of Internal Auditors, Global Internal Audit Standards** — sets principles for board protection of internal-audit independence, direct access, functional reporting, resources, and disclosure of impairments. (theiia.org)
- **U.S. Government Accountability Office, Government Auditing Standards, 2024 Revision** — defines independence requirements for government audit organizations, including organizational safeguards and independence in appearance. (gao.gov/yellowbook)
- **U.S. Government Accountability Office, Inspectors General: Independence Principles and Considerations** — summarizes structural protections and threats relevant to inspector-general independence.
- **U.S. Government Accountability Office, Washington Metropolitan Area Transit Authority: Actions Needed to Strengthen Inspector General Independence and Transparency** — examines how appointment, term, renewal, and removal structures can affect oversight independence.
- **Council of the Inspectors General on Integrity and Efficiency, About Inspectors General** — explains federal inspector-general independence, access, reporting, and removal-notice concepts.
- **LAist, "He Uncovered Wasteful LA Homelessness Spending. He Was Just Demoted Without Explanation."** — attributed reporting about the Commission action and explanations offered by participants and LAHSA. (LAist, Sep. 4, 2026)
- **LAHSA Responses to BeaconStone Foundation** — September 8–9, 2026. States that committee assignments are made at the discretion of the annually elected Commission Chair; supplies annual committee-assignment snapshots from January 2023 through August 2026; identifies Commission bylaws Section V.A.2.f as the source of the chair's committee-appointment authority; states that the only specific Audit Committee appointment criterion is the prohibition on concurrent service on the Audit and Finance Committees; and states that the Audit Committee charter ensures continuity regardless of committee membership or chair.
- **LAHSA Joint Powers Agreement and Commission Bylaws** — supplied September 9, 2026. Section V.A.2.f provides that the Commission Chair recommends, for Commission approval, the creation and appointment of committees to assist the Commission in its work.
