

# EXAMINATION REPORT

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## Pennsylvania Liquor Control Board Fine Wine and Good Spirits Store 0227

3845 Northern Pike  
Monroeville, Pennsylvania 15146  
For the Period  
October 3, 2024 to August 13, 2025

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September 2025



Commonwealth of Pennsylvania  
Department of the Auditor General

Timothy L. DeFoor • Auditor General



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**TIMOTHY L. DEFOOR  
AUDITOR GENERAL**

The Honorable Darrell Clarke, Chairman  
Pennsylvania Liquor Control Board  
518 Northwest Office Building  
Harrisburg, PA 17124

Dear Chairman Clarke:

We have performed an examination of Fine Wine and Good Spirits Store 0227, Allegheny County, District 3-01, operated by the Pennsylvania Liquor Control Board (PLCB). We examined store operations for the period October 3, 2024 to August 13, 2025.

This report presents the results of the Department of the Auditor General's examination of store operations under the jurisdiction of the Pennsylvania Liquor Control Board (PLCB). The examination was conducted under statutory authority provided under 47 P.S. § 3-306 of the Pennsylvania Liquor Code.

This examination was conducted only to the extent that we considered necessary to determine if the wine and spirits store operated in compliance with PLCB operating procedures. The examination was not conducted, nor was it required to be, in accordance with professional auditing or attestation standards.

Our examination included:

- Conducting a physical inventory count for a selection of liquor codes and comparing our results to the store's perpetual inventory records to determine whether inventory differences in excess of \$200 in value exists for these codes;
- Reviewing deposits, consisting of cash and checks deposited manually and credit and debit card receipts deposited electronically, to determine whether deposits were appropriately accounted for and agreed with PLCB financial records;
- Reviewing Clerk Performance Reports, Ad Hoc Reports, Shipment Invoices, and Transfer Reports to determine the store's compliance with PLCB internal controls;

- Performing a count of all cash on hand to determine whether the store's cash on hand agrees with supporting store documents and bank records, and verifying whether the total store operating fund charged to the store agrees with the amount provided by the PLCB;
- Performing tests of Licensee Sales, Tax-Exempt Sales, Minor Challenges, System Prices, Register Voids, Register Deposits, and Breakage/Adjustment Controls to determine whether store operations were in compliance with PLCB operating procedures;
- Selecting liquor codes and verifying that the sales price in the store system agrees to the PLCB's approved price list; and,
- Locating and verifying that all PLCB capital assets are present at the store and comparing our results to the PLCB fiscal year asset equipment list for accuracy.

The results of our examination found that Fine Wine and Good Spirits Store 0227 operated in compliance with all PLCB operating procedures falling within the scope of our examination, except as noted in the following findings and discussed later in this report. These matters were discussed with appropriate personnel and are intended to assist you in improving internal controls.

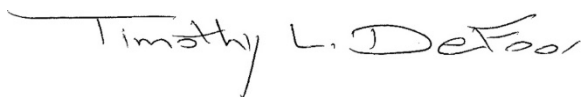
Finding No. 1 – Inventory Discrepancy Exceeding \$200 in Value – Repeat Finding

Finding No. 2 – Excessive Cash in Register Drawers – Repeat Finding

We would like to thank store management for their cooperation extended to us during the conduct of the examination.

If you have any questions concerning this report, please contact the Bureau of Liquor Control Audits at (717) 783-1236.

Sincerely,



Timothy L. DeFoor  
Auditor General  
September 19, 2025

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## **BACKGROUND**

The Pennsylvania Liquor Control Board (PLCB) operates a diverse network of retail and wholesale distribution facilities across the Commonwealth, including Premium Collection Stores, One-Stop/Supermarket Stores, Taste & Learn Stores, Lottery Locations, Wholesale Stores/Licensee Service Centers (LSCs) and an online E-Commerce Store. Each of these store types serves a distinct function – ranging from public retail and licensee fulfillment to education, special product releases, and bulk distribution.

The Department of the Auditor General’s authority to examine PLCB store operations is derived from Section 306 of the Pennsylvania Liquor Code (47 P.S. § 3-306).

**COMMONWEALTH OF PENNSYLVANIA  
PENNSYLVANIA LIQUOR CONTROL BOARD  
FINE WINE AND GOOD SPIRITS STORE 0227  
FINDINGS AND RECOMMENDATIONS**

**Finding No. 1 – Inventory Discrepancy Exceeding \$200 in Value – Repeat Finding**

**Condition**

A random sample count of 61 liquor codes, comprised of 3,440 units valued at \$147,031.00, was performed on August 14, 2025. We compared PLCB perpetual inventory records for the 61 liquor codes to actual inventory on hand. The perpetual inventory records and the actual inventory count matched for 51 codes; however, for the remaining 10 codes, the actual inventory count did not agree with the perpetual inventory records that are noted below.

<b><u>Discrepant Code Item Number</u></b>	<b><u>Physical Count</u></b>	<b><u>Perpetual Inventory</u></b>	<b><u>Difference</u></b>	<b><u>Retail Cost Per Unit</u></b>	<b><u>Total Value</u></b>
<i>1*</i>	<i>126</i>	<i>154</i>	<i>(28)</i>	<i>\$22.99</i>	<i>(\$643.72)</i>
2	92	119	(27)	\$47.99	(\$1,295.73)
3	44	56	(12)	\$9.99	(\$119.88)
4	63	72	(9)	\$33.99	(\$305.91)
5	62	68	(6)	\$39.99	(\$239.94)
<i>6*</i>	<i>62</i>	<i>67</i>	<i>(5)</i>	<i>\$63.99</i>	<i>(\$319.95)</i>
7	118	123	(5)	\$19.99	(\$99.95)
8	9	10	(1)	\$23.99	(\$23.99)
9	121	120	1	\$19.99	\$19.99
10	7	6	1	\$8.99	\$8.99

**\* These codes were also noted as discrepancies in the prior examination report.**

On August 14, 2025, PLCB management was notified of the differences between actual inventory and the PLCB's perpetual inventory records so that the PLCB could investigate the differences and make appropriate adjustments to its inventory records.

A similar condition was noted in the five most recent examinations of this store; however, we have not received corrective action for the three prior examinations which may have contributed to the noncompliance.

**Criteria**

The PLCB Manual of Instructions, Chapter 710-14, Random/Complete Physical Inventory Comparison establishes procedures that require store managers to maintain accurate perpetual inventory records.

**COMMONWEALTH OF PENNSYLVANIA  
PENNSYLVANIA LIQUOR CONTROL BOARD  
FINE WINE AND GOOD SPIRITS STORE 0227  
FINDINGS AND RECOMMENDATIONS**

**Finding No. 1 – (Continued)**

**Cause**

The assistant manager indicated that multiple codes may have been due to receiving different codes than the codes expected during shipments. Other discrepant codes are due to scanning errors at the register or mistakes made while filling licensee orders.

**Effect**

Unacceptable inventory discrepancies demonstrate an inability to properly manage PLCB merchandise, reduce the ability of the Board to accurately maintain records of profit and loss, and may result in a reduction in PLCB revenue.

**Recommendation**

We again recommend that the Board investigate this situation and take whatever action it deems necessary to bring inventory discrepancies within the parameters established by the Board. Furthermore, the Board should monitor inventory levels and work with store employees to detect and correct inventory discrepancies in a timely manner.

**Management Response**

The general manager agreed with the finding and will work with the clerks to ensure that they scan each bottle at the register, and ensure they use the zebra scanner when filling orders.

**Examiner's Conclusion**

As indicated in the above Condition, it was disclosed that two of the discrepant inventory codes were also noted as discrepancies in the prior examination count and reported to PLCB. Since corrective action was not received from management addressing similar areas for improvement and procedures were not implemented or operating effectively to prevent their recurrence, we again recommend that management strengthen overall controls relative to monitoring store inventory and remain proactive in the area of asset protection to avoid continued variances/losses in store inventory.

During examination of breakage and adjustments reports, it was noted that five of the discrepant codes noted above, found during this random inventory count were the same codes adjusted between April 1, 2025, and June 30, 2025, as illustrated below:

**COMMONWEALTH OF PENNSYLVANIA  
PENNSYLVANIA LIQUOR CONTROL BOARD  
FINE WINE AND GOOD SPIRITS STORE 0227  
FINDINGS AND RECOMMENDATIONS**

**Finding No. 1 – (Continued)**

<b>Discrepant Code Item Number</b>	<b>Reason Code</b>	<b>Description</b>	<b>Units</b>	<b>Date</b>
4	88	Stock Out	(3)	5/31/25
5	88	Stock Out	(2)	4/16/25
6	88	Stock Out	(5)	6/17/25
6	88	Stock Out	(10)	5/31/25
6	102	Breakage By Customer	(1)	4/10/25
7	123	Pushed cork, loose or leaky cap, broken closure or spout	(2)	6/23/25
7	88	Stock Out	(6)	5/20/25
9	88	Stock Out	(1)	5/20/25

Errors or inaccuracies with these adjustments could have contributed to the discrepancies noted above.

Based on an examination of the 30 most recent shipment invoices, the codes listed above did not disclose any issues during deliveries.

We are concerned by the failure to comply with the prior findings and encourage compliance at the earliest opportunity to do so. Compliance along with any subsequent corrective action taken will be subject to verification in the subsequent examination.



**COMMONWEALTH OF PENNSYLVANIA  
PENNSYLVANIA LIQUOR CONTROL BOARD  
FINE WINE AND GOOD SPIRITS STORE 0227  
FINDINGS AND RECOMMENDATIONS**

**Finding No. 2 – Excessive Cash in Register Drawers – Repeat Finding**

**Condition**

During our examination of 58 cash deposits made, as detailed on register slips, we discovered 3 instances of excessive cash in the registers that exceeded the allowable amount by \$200 or more. We also examined the store's electronic journal and noted that none of the 3 instances of excessive cash amounts were the result of large cash sales. A similar condition was noted in the prior examination of this store.

**Criteria**

The PLCB Manual of Instructions, Chapter 710-04-02-B, states that money kept in the registers must be maintained at the lowest level possible, consistent with sound operation. The Person-in-Charge must ensure that employees do not accumulate large sums. The employees are required to periodically deposit excess monies from their registers with the Person-in-Charge.

**Cause**

The general manager indicated that the clerks get busy at times and do not always do pickups in a timely manner.

**Effect**

The failure to remove excess cash from the register drawers increases the risk of loss, theft, or misuse of these funds.

**Recommendation**

We again recommend that PLCB management ensure compliance with the PLCB Manual of Instructions, Chapter 710-04-02-B. Specifically, store management should monitor the cash registers to ensure the registers are not exceeding the store's allowable amount.

**Management Response**

The general manager agreed with this finding. He will work with the staff to correct this issue going forward.

**COMMONWEALTH OF PENNSYLVANIA  
PENNSYLVANIA LIQUOR CONTROL BOARD  
FINE WINE AND GOOD SPIRITS STORE 0227  
FINDINGS AND RECOMMENDATIONS**

**Finding No. 2 – (Continued)**

**Examiner's Conclusion**

Compliance along with any subsequent corrective action taken will be subject to verification in the subsequent examination.

**COMMONWEALTH OF PENNSYLVANIA  
PENNSYLVANIA LIQUOR CONTROL BOARD  
FINE WINE AND GOOD SPIRITS STORE 0227  
PRIOR FINDINGS AND RECOMMENDATIONS**

**STATUS OF PRIOR FINDINGS AND RECOMMENDATIONS**

**Random Sample Shortages**

Our prior examination of a random sample of the store's inventory reported an inventory discrepancy exceeding \$200 between actual and perpetual inventory. Store management failed to comply with our recommendation (see Finding No. 1).

**Handling of Cash and Checks**

Our prior examination reported noncompliance with PLCB Handling of Cash and Checks procedures - Excessive Cash in Register Drawers. Store management failed to comply with our recommendation (see Finding No. 2).

**Tax-Exempt Sales**

Our prior examination reported noncompliance with PLCB Tax-Exempt Sales procedures – Improper Documentation. Store management complied with our recommendation.

**COMMONWEALTH OF PENNSYLVANIA  
PENNSYLVANIA LIQUOR CONTROL BOARD  
FINE WINE AND GOOD SPIRITS STORE 0227  
REPORT DISTRIBUTION LIST**

This report was initially distributed to the following:

**The Honorable Darrell Clarke**  
Chairman  
Pennsylvania Liquor Control Board

**Faith Deitrich**  
Assistant Director  
PLCB Audit Services Division/Bureau of Audits  
Pennsylvania Office of the Budget

**Rodrigo Diaz**  
Executive Director  
Pennsylvania Liquor Control Board

**Angela Blecher**  
Chief Financial Officer  
Pennsylvania Liquor Control Board

**Angela Schaul**  
Director of Store Operations  
Pennsylvania Liquor Control Board

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