

EXAMINATION REPORT

Pennsylvania Liquor Control Board
Fine Wine and Good Spirits
Store 0234

1012 West View Park Drive
Pittsburgh, Pennsylvania 15229
For the Period
January 8, 2025 to October 6, 2025

November 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 0234, Allegheny County, District 3-10, operated by the Pennsylvania Liquor Control Board (PLCB). We examined store operations for the period January 8, 2025 to October 6, 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 0234 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.

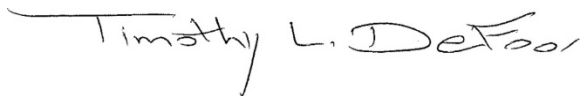
Finding No. 1 – Inventory Discrepancy Exceeding 1% of the Value Examined – Repeat Finding

Finding No. 2 – Tax-Exempt Sales - Improper Documentation – 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
October 31, 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 0234
FINDINGS AND RECOMMENDATIONS**

Finding No. 1 – Inventory Discrepancy Exceeding 1% of the Value Examined – Repeat Finding

Condition

A random sample count of 60 liquor codes, comprised of 2,406 units valued at \$55,229.34, was performed on October 7, 2025. We compared PLCB perpetual inventory records for the 60 liquor codes to actual inventory on hand and found discrepancies with an error rate greater than 1% of the value examined or \$552.29. The perpetual inventory records and the actual inventory count matched 52 codes; however, the following 8 codes had discrepancies between the actual inventory and the perpetual inventory records:

Discrepant Code Item Number	Physical Count	Perpetual Inventory	Difference	Retail Cost Per Unit	Total Value
<i>*1</i>	<i>57</i>	<i>60</i>	<i>(3)</i>	<i>\$37.99</i>	<i>(\$113.97)</i>
<i>*2</i>	<i>55</i>	<i>58</i>	<i>(3)</i>	<i>\$32.99</i>	<i>(\$98.97)</i>
<i>*3</i>	<i>51</i>	<i>52</i>	<i>(1)</i>	<i>\$26.99</i>	<i>(\$26.99)</i>
<i>*4</i>	<i>429</i>	<i>430</i>	<i>(1)</i>	<i>\$2.49</i>	<i>(\$2.49)</i>
5	0	1	(1)	\$11.99	(\$11.99)
<i>*6</i>	<i>36</i>	<i>37</i>	<i>(1)</i>	<i>\$24.99</i>	<i>(\$24.99)</i>
7	19	18	1	\$64.99	\$64.99
<i>*8</i>	<i>184</i>	<i>157</i>	<i>27</i>	<i>\$26.99</i>	<i>\$728.73</i>

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

During examination of breakage and adjustments reports, it was noted that four of the discrepant items noted above, found during this random inventory count were the same items adjusted between June 1, 2025, through August 31, 2025, as illustrated below:

Discrepant Code Item Number	Reason Code	Description	Units	Date
3	76	Unit Late Sales Increase SOH	1	7/23/25
5	76	Unit Late Sales Increase SOH	1	7/23/25
5	87	Stock In	6	7/23/25
6	88	Stock Out	(1)	7/23/25
7	88	Stock Out	(1)	7/14/25

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

**COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA LIQUOR CONTROL BOARD
FINE WINE AND GOOD SPIRITS STORE 0234
FINDINGS AND RECOMMENDATIONS**

Finding No. 1 – (Continued)

Based on an examination of the 20 most recent shipment invoices, the items listed above did not disclose any issues during deliveries.

On October 7, 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 most recent examination of this store; however, we have not received corrective action for the prior examination 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 stores management to maintain accurate perpetual inventory records.

Cause

The General Manager indicated that the large discrepancy was most likely due to receiving different codes than were expected. The general manager also indicated that the remaining errors were probably due to cashiers not scanning each bottle at the register.

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. The general manager will work with the cashiers to ensure they are scanning each bottle at the register.

**COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA LIQUOR CONTROL BOARD
FINE WINE AND GOOD SPIRITS STORE 0234
FINDINGS AND RECOMMENDATIONS**

Finding No. 1 – (Continued)

Examiner's Conclusion

As indicated in the above Condition, it was disclosed that six of the discrepant inventory items 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.

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 0234
FINDINGS AND RECOMMENDATIONS**

Finding No. 2 – Tax-Exempt Sales - Improper Documentation – Repeat Finding

Condition

Our examination of the store's tax-exempt sales disclosed it was not in compliance with PLCB Tax-Exempt Sales procedures and the Revenue Code regarding required documentation. We examined three invoices for tax-exempt sales and found the following documentation discrepancies, as illustrated in the table below:

Date	Invoice Number	Total Price	Discrepancy
06/24/25	00234001357220250624	\$83.94	REV-1220 was not signed and not dated at the time of purchase
05/01/25	00234002848820250501	\$230.79	REV-1220 & Rev-1715 not attached
04/12/24	00234001387020250412	\$15.98	REV-1220 was not signed and not dated at the time of purchase

Criteria

Tax Exempt Sales Policy, BRO-0052 and BRO-0052.1, effective January 18, 2021, states that a purchaser must present a valid Tax-Exempt certificate, REV-1220, for each purchase, the certificate must be signed and dated by the purchaser at the time of purchase, and the completed certificate must be attached to the store copy of the invoice and filed accordingly.

Also, for purchases exceeding \$200 or more, purchasers claiming exemption from sales tax shall complete REV-1715 Declaration of Sales Tax Exemption. A copy of the signed, original REV-1220 and REV-1715 is to be retained for a period of three (3) years from the date of the purchase.

Cause

The general manager believed that due to this store having so few tax-exempt sales, the staff forgot the proper steps for completing them.

**COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA LIQUOR CONTROL BOARD
FINE WINE AND GOOD SPIRITS STORE 0234
FINDINGS AND RECOMMENDATIONS**

Finding No. 2 – (Continued)

Effect

As a result of the store not complying with PLCB tax-exempt sales procedures, there is a lack of adequate internal controls over the store's monetary receipts and supporting documentation involving tax-exempt sales.

Recommendation

We recommend that PLCB monitors the store to ensure compliance with tax-exempt sales procedures as referenced in BRO-0052 and BRO-0052.1.

Management Response

The general manager agreed with this finding. The general manager stated that training will be conducted to ensure that the proper procedures are implemented in accordance with PLCB procedures regarding tax-exempt sales.

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 0234
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).

Tax-Exempt Sales

Our prior examination reported noncompliance with PLCB Tax-Exempt Sales procedures – Improper Documentation. Store management failed to comply with our recommendation (see Finding No. 2).

**COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA LIQUOR CONTROL BOARD
FINE WINE AND GOOD SPIRITS STORE 0234
REPORT DISTRIBUTION LIST**

This report was initially distributed to the following:

The Honorable Darrell Clarke
Chairman
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Faith Deitrich
Assistant Director
PLCB Audit Services Division/Bureau of Audits
Pennsylvania Office of the Budget

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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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