

EXAMINATION REPORT

Pennsylvania Liquor Control Board
Fine Wine and Good Spirits
Store 0299

11685 Penn Hills Drive
Pittsburgh, Pennsylvania 15235
For the Period
April 29, 2025 to February 24, 2026

April 2026



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 0299, Allegheny County, District 3-01, operated by the Pennsylvania Liquor Control Board (PLCB). We examined store operations for the period April 29, 2025 to February 24, 2026.

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 0299 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

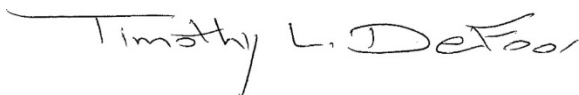
Finding No. 2 – Excessive Cash in Register Drawers – Repeat Finding

Finding No. 3 – Instant Redeemable Coupon Used Along with Licensee Discount – 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
April 8, 2026

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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 0299
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 2,947 units valued at \$110,531.21, was performed on February 25, 2026. We compared PLCB perpetual inventory records for the 60 liquor codes to actual inventory on hand and found a unit difference of 179 with a retail value difference of \$6,546.41. These discrepancies had an error rate of 6.05%, which was greater than our threshold of 1% of the value examined. The perpetual inventory records and the actual inventory count matched 34 codes; however, the following 26 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
1	58	73	(15)	\$8.99	(\$134.85)
2	36	48	(12)	\$39.99	(\$479.88)
3	22	34	(12)	\$52.99	(\$635.88)
*4	95	106	(11)	\$63.99	(\$703.89)
*5	77	85	(8)	\$67.59	(\$540.72)
6	54	61	(7)	\$29.99	(\$209.93)
*7	46	52	(6)	\$39.99	(\$239.94)
8	108	114	(6)	\$25.99	(\$155.94)
9	11	17	(6)	\$64.99	(\$389.94)
10	107	112	(5)	\$31.99	(\$159.95)
11	52	56	(4)	\$27.99	(\$111.96)
12	48	52	(4)	\$29.99	(\$119.96)
13	33	35	(2)	\$56.99	(\$113.98)
14	4	6	(2)	\$149.99	(\$299.98)
15	34	35	(1)	\$49.99	(\$49.99)
16	50	51	(1)	\$31.99	(\$31.99)
17	0	1	(1)	\$23.99	(\$23.99)
18	64	63	1	\$27.99	\$27.99
19	167	166	1	\$25.99	\$25.99
20	93	91	2	\$19.99	\$39.98
*21	111	106	5	\$37.99	\$189.95
22	114	107	7	\$32.99	\$230.93
23	15	3	12	\$17.69	\$212.28
24	58	46	12	\$37.99	\$455.88

**COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA LIQUOR CONTROL BOARD
FINE WINE AND GOOD SPIRITS STORE 0299
FINDINGS AND RECOMMENDATIONS**

Finding No. 1 – (Continued)

Discrepant Code Item Number	Physical Count	Perpetual Inventory	Difference	Retail Cost Per Unit	Total Value
25	75	62	13	\$34.99	\$454.87
26	182	159	23	\$21.99	\$505.77

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

As indicated in the table above, four of the 26 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 for the prior 5 most recent examinations, procedures were either not implemented or were not operating effectively to prevent their recurrence.

During examination of breakage and adjustments reports, we found 6 of the discrepant inventory codes noted above were the same codes adjusted between October 1, 2025, through December 31, 2025, as illustrated below:

Discrepant Code Item Number	Code	Reason Code	Description	Units	Date
1	100046509	123	Pushed cork, loose or leaky cap, broken closure or spout	-1	12/31/25
4	000003402	371	(-) Shoplifting / Theft	-2	12/5/25
5	000000623	371	(-) Shoplifting / Theft	-1	12/5/25
18	000005186	88	Stock Out	-2	10/7/25
20	000006069	1611	(+) Code change - authorized by C. O. only	8	10/23/25
20	000006069	8180	(-) Physical inventory adjustment/correction	48	12/31/25
23	000005539	87	Stock In	2	11/3/25
23	000005539	8180	(-) Physical inventory adjustment/correction	-12	11/5/25

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

Our examination of 30 shipment invoices did not disclose any issues for the discrepant codes above during deliveries.

On February 25, 2026, PLCB management was notified of the differences between actual inventory and the PLCB’s perpetual inventory records so that PLCB could investigate the differences and make appropriate adjustments to its inventory records.

**COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA LIQUOR CONTROL BOARD
FINE WINE AND GOOD SPIRITS STORE 0299
FINDINGS AND RECOMMENDATIONS**

Finding No. 1 – (Continued)

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 manager stated that since they cannot scan inventory upon receiving shipments, errors are not identified on the day they are received. Manager also stated that since they have been told to place all high value theft items on the sales floor this creates more theft opportunities. There have also been systematic errors in Store Inventory Operational Cloud System that affected inventory counts.

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 store management investigate this situation and take whatever action it deems necessary to bring inventory discrepancies within the parameters established by the Board.

Management Response

The assistant manager agreed with the findings and stated that they will update their inventory to reflect the counts of our random inventory count when they are able to because at this time the system is down.

Examiner's Conclusion

Compliance may be subject to verification in the next examination.

**COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA LIQUOR CONTROL BOARD
FINE WINE AND GOOD SPIRITS STORE 0299
FINDINGS AND RECOMMENDATIONS**

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

Condition

During our examination of 34 cash deposits made, as detailed on register slips, we discovered 5 instances of excessive cash in the registers that exceeded the allowable amount. We also examined the store's electronic journal and noted that 1 of the 5 instances of the excessive cash amounts were the result of a large cash sale but was deposited 1 hour later. We also note that there were 2 instances of clerks closing out their tills with excessive cash amounts that exceeded the allowable amount by more than \$200.

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

Store manager stated the cause for the discrepancies were due to clerks not notifying the manager in charge that a pickup is needed. The manager also noted that when pickups are conducted it is safer to conduct them when customers are not in the store for safety reasons.

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.

**COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA LIQUOR CONTROL BOARD
FINE WINE AND GOOD SPIRITS STORE 0299
FINDINGS AND RECOMMENDATIONS**

Finding No. 2 – (Continued)

Management Response

The general manager stated that a further discussion will be conducted with clerks regarding the notification of when the register till reaches the drawer limit and a pickup is needed.

Examiner's Conclusion

Compliance may be subject to verification in the next examination.

**COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA LIQUOR CONTROL BOARD
FINE WINE AND GOOD SPIRITS STORE 0299
FINDINGS AND RECOMMENDATIONS**

Finding No. 3 – Instant Redeemable Coupon Used Along with Licensee Discount – Repeat Finding

Condition

Our examinations of 40 sales records for licensees disclosing the store were not in compliance with the PLCB Instant Redeemable Coupons (IRC) policy. We found 4 sales to licensees that allowed both an IRC and the licensee discount, for a total loss to the Commonwealth of \$10.00.

Criteria

PLCB's POS (Point of Sale) User Guide PROCEDURE Bulletin #32, states in part:

IRCs are for retail sale transactions. No IRCs will be honored on Special Liquor Orders, Licensee Orders, Tax-Exempt Sales or Retail Invoices.

Cause

The manager stated that these discrepancies were due to holiday help not properly knowing the IRC procedures.

Effect

As a result of the store not complying with this PLCB procedure, the PLCB lost \$10.00 in revenue.

Recommendation

We again recommend that store management establish adequate internal control policies to ensure compliance with PLCB IRC policy and procedures, which only permit a licensee to use an IRC or the licensee discount, but not both.

Management Response

The manager agreed with the finding and will go over the proper procedures with the employees about the instant redeemable coupon policy.

Examiner's Conclusion

Compliance may be subject to verification in the next examination.

**COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA LIQUOR CONTROL BOARD
FINE WINE AND GOOD SPIRITS STORE 0299
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).

IRC Policy

Our prior examination reported noncompliance with PLCB Instant Redeemable Coupons (IRC) policy. Store management failed to comply with our recommendation (see Finding No. 3).

**COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA LIQUOR CONTROL BOARD
FINE WINE AND GOOD SPIRITS STORE 0299
REPORT DISTRIBUTION LIST**

This report was initially distributed to the following:

The Honorable Darrell Clarke
Chairman
Pennsylvania Liquor Control Board

Jeremy Snyder
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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