EXAMINATION REPORT

Pennsylvania Liquor Control Board

Fine Wine and Good Spirits

Store 4622

404 Huntingdon Pike
Rockledge, Pennsylvania 19046
For the Period
March 28, 2025 to March 10, 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 4622, Montgomery County, District 1-07, operated by the Pennsylvania Liquor Control Board (PLCB). We examined store operations for the period March 28, 2025 to March 10, 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.

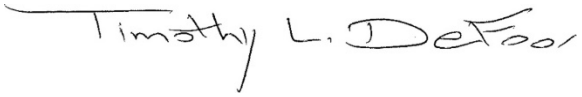
The results of our examination found that Fine Wine and Good Spirits Store 4622 operated in compliance with all PLCB operating procedures falling within the scope of our examination, except as noted in the following finding and discussed later in this report. This matter was discussed with appropriate personnel and is intended to assist you in improving internal controls.

Finding – Instant Redeemable Coupon Used Along With Licensee Discount

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 13, 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 4622
FINDING AND RECOMMENDATION

Finding – Instant Redeemable Coupon Used Along With Licensee Discount

Condition

Our examinations of 36 sales records for licensees disclosed the store was not in compliance with the PLCB Instant Redeemable Coupons (IRC) policy. We found one sale to a licensee that allowed both an IRC and the licensee discount, for a total loss to the Commonwealth of $2.00.

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

Store management failed to establish adequate internal control procedures to ensure the IRC policy was properly followed.

Effect

As a result of the store not complying with this PLCB procedure, the PLCB lost $2.00 in revenue.

Recommendation

We 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 acknowledged the finding and will address this with the staff at the next employee meeting.

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 4622
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 complied with our recommendation.

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 complied with our recommendation.

Prevention of Sales to Minors

Our prior examination reported noncompliance with PLCB Minor Challenge procedures - Prevention of Sales to Minors procedures. Store management complied with our recommendation.

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 4622
REPORT DISTRIBUTION LIST

This report was initially distributed to the following:

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

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Pennsylvania Liquor Control Board

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This report is a matter of public record and is available online at www.PaAuditor.gov. Media questions about the report can be directed to the Pennsylvania Department of the Auditor General, Office of Communications, 229 Finance Building, Harrisburg, PA 17120; via email to: news@PaAuditor.gov.