

EXAMINATION REPORT

Pennsylvania Liquor Control Board Fine Wine and Good Spirits Store 5105

5 North 12th Street
Philadelphia, Pennsylvania 19107
For the Period
April 9, 2025 to February 9, 2026

March 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 5105, Philadelphia County, District 1-01, operated by the Pennsylvania Liquor Control Board (PLCB). We examined store operations for the period April 9, 2025 to February 9, 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.

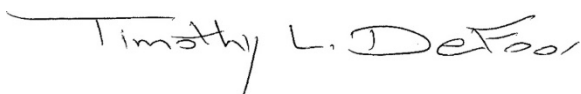
The results of our examination found that Fine Wine and Good Spirits Store 5105 operated in compliance with all PLCB operating procedures falling within the scope of our examination, except as noted in the following finding and discussed later in this report. This matter was discussed with appropriate personnel and is intended to assist you in improving internal controls.

Finding – Inventory Discrepancy Exceeding 1% of the Value Examined – 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
March 20, 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 5105
FINDING AND RECOMMENDATION**

Finding – Inventory Discrepancy Exceeding 1% of the Value Examined – Repeat Finding

Condition

A random sample count of 60 liquor codes, comprised of 6,626 units valued at \$61,281.04 was performed on February 11, 2026. We compared PLCB perpetual inventory records for the 60 liquor codes to actual inventory on hand and found discrepancies had an error rate of 2.09%, which was greater than our threshold of 1% of the value examined. The perpetual inventory records and the actual inventory count matched 54 codes; however, the following 6 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	0	268	(268)	\$3.59	(\$962.12)
*2	101	108	(7)	\$24.99	(\$174.93)
*3	54	57	(3)	\$16.99	(\$50.97)
4	32	33	(1)	\$26.99	(\$26.99)
5	2	3	(1)	\$19.99	(\$19.99)
6	24	23	1	\$17.69	\$17.69

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

As indicated in the table above, two of the six discrepant inventory codes were also noted as discrepancies in the prior examination count and reported to PLCB. Since corrective action was received from management for the most recent examination, procedures were either not implemented or were not operating effectively to prevent their recurrence.

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

**COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA LIQUOR CONTROL BOARD
FINE WINE AND GOOD SPIRITS STORE 5105
FINDING AND RECOMMENDATION**

Finding – (Continued)

Discrepant Code Item Number	Reason Code	Description	Units	Date
2	371	(-) Shoplifting / Theft	(1)	10/08/2025
2	87	Stock In	4	11/09/2025
2	371	(-) Shoplifting / Theft	(1)	11/21/2025
2	87	Stock In	2	11/26/2025
2	88	Stock Out	(2)	12/23/2025
4	88	Stock Out	(11)	11/20/2025
4	371	(-) Shoplifting / Theft	(3)	11/21/2025
4	371	(-) Shoplifting / Theft	(4)	11/21/2025
4	87	Stock In	1	12/03/2025
4	371	(-) Shoplifting / Theft	(1)	12/09/2025

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

Our examination of 20 most recent shipment invoices did not disclose any issues for the discrepant codes above during deliveries.

On February 18, 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.

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

Contributing factors again include but are not limited to customer theft, and ad hoc/daily count errors.

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PENNSYLVANIA LIQUOR CONTROL BOARD
FINE WINE AND GOOD SPIRITS STORE 5105
FINDING AND RECOMMENDATION**

Finding – (Continued)

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 general manager agreed with the finding and will follow the corrective action plan to minimize these mistakes.

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 5105
PRIOR FINDING AND RECOMMENDATION**

STATUS OF PRIOR FINDING AND RECOMMENDATION

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).

**COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA LIQUOR CONTROL BOARD
FINE WINE AND GOOD SPIRITS STORE 5105
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
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Pennsylvania Liquor Control Board

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Pennsylvania Liquor Control Board

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