EXAMINATION REPORT

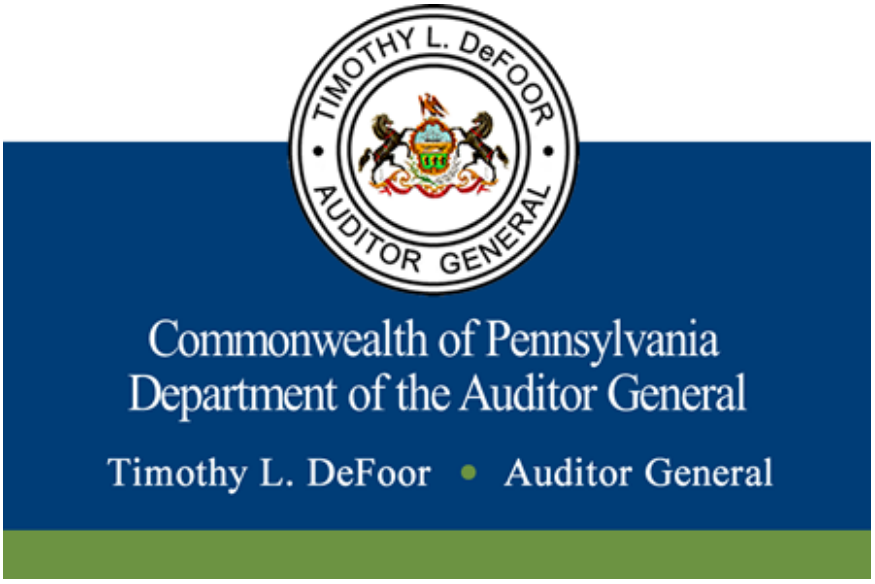
Pennsylvania Liquor Control Board

Fine Wine and Good Spirits

Store 5108

3250 North Broad Street
Philadelphia, Pennsylvania 19140
For the Period
May 12, 2025 to June 28, 2026

September 2026



Commonwealth of Pennsylvania
Department of the Auditor General
Harrisburg, PA 17120-0018
Facebook: Pennsylvania Auditor General
Twitter: @PAAuditorGen
www.PaAuditor.gov

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 5108, Philadelphia County, District 1-10, operated by the Pennsylvania Liquor Control Board (PLCB). We examined store operations for the period May 12, 2025 to June 28, 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 variances exceed 1% of the value examined;

- 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 5108 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.

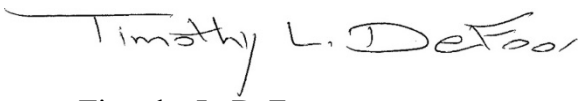
Finding No. 1 – Inventory Discrepancy Exceeding 1% of the Value Examined – Repeat Finding

Finding No. 2 – Documents Not Maintained on File

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
August 28, 2026

CONTENTS

Background 1

Findings and Recommendations:

Finding No. 1 – Inventory Discrepancy Exceeding 1% of the Value Examined – Repeat Finding 2

Finding No. 2 – Documents Not Maintained on File 5

Prior Findings and Recommendations 6

Report Distribution List 7

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).

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

Condition

A random sample count of 60 liquor codes, comprised of 5,935 units valued at $105,794.53, was performed on June 29, 2026. We compared PLCB perpetual inventory records for the 60 liquor codes to actual inventory on hand and found a net unit difference of 73 with a net retail value difference of $1,232.27. These discrepancies had an error rate of 1.17%, which was greater than our threshold of 1% of the value examined. The perpetual inventory records and the actual inventory count matched 53 codes; however, the following 7 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	86	102	(16)	$15.99	($255.84)
2	164	174	(10)	$7.99	($79.90)
***3**	***70***	***76***	***(6)***	***$25.99***	***($155.94)***
4	2	5	(3)	$4.99	($14.97)
5	68	70	(2)	$23.99	($47.98)
6	1	2	(1)	$82.99	($82.99)
7	130	95	35	$16.99	$594.65

**** This code was also noted as a discrepancy in the prior examination report.***

As indicated in the table above, one of the seven discrepant inventory codes were also noted as discrepancies in the prior examination count and reported to PLCB.

During examination of breakage and adjustments reports, we found five of the seven discrepant inventory items noted above were the same codes adjusted between February 1, 2026, and May 30, 2026, as illustrated below:

Discrepant Code Item Number	Reason Code	Description	Units	Date
1	87	Stock In	2	02/04/26
1	88	Stock Out	-4	02/12/26
1	88	Stock Out	-1	03/18/26

Finding No. 1 – (Continued)

Discrepant Code Item Number	Reason Code	Description	Units	Date
1	88	Stock Out	-5	04/13/26
2	8180	(-) Physical Inventory Adjustment / Correction	-1	02/18/26
2	123	Pushed cork, loose or leaky cap, broken closure or spout	-1	02/21/26
2	88	Stock Out	-2	03/26/26
2	87	Stock In	2	04/11/26
2	88	Stock Out	-2	04/13/26
2	88	Stock Out	-3	04/16/26
3	8180	(-) Physical Inventory Adjustment / Correction	-7	02/16/26
3	88	Stock Out	-1	03/26/26
3	88	Stock Out	-1	04/23/26
4	88	Stock Out	-1	02/02/26
5	88	Stock Out	-2	02/04/26

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

On July 1, 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.

Finding No. 1 – (Continued)

Criteria

The PLCB Standard Operating Procedure (SOP) and Job Aids for Inventory Management establishes procedures that require stores management to receive, maintain, and record accurate perpetual inventory records. The following criteria provides guidance for store inventory management:

> SOP titled **Direct Store Delivery (DSD) Receiving at Store** states the purpose is to support the Retail Operations team when using Oracle systems to complete the Direct Store Delivery (DSD) process.
>
> Job Aid titled **Ad Hoc Stock Count in Store Operations Cloud Service (SOCS)** states the purpose is to outline how to conduct Ad Hoc stock counts using Oracle Retail SOCS on the mobile scanner.
>
> SOP titled **Inventory Adjustments** is to ensure inventory is accurate and managed inventory must be corrected as soon as a discrepancy is noticed.

Cause

Contributing factors again include, but are not limited to customer theft, unreported breakage, and shipment error.

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 make the correct adjustments.

Examiner's Conclusion

Compliance may be subject to verification in the next examination.

Finding No. 2 – Documents Not Maintained on File

Condition

Our examination of the store's records disclosed that it was not in compliance with PLCB Records Management procedures. We found that store summary reports, dating from June 01, 2025 through June 30, 2025, could not be located.

Criteria

The PLCB BRO-0016, Records Management procedures, establishes the guidelines for the management of store records and provides the format for a standard filing system to be used in all stores. The store's General Manager is responsible for compliance with these procedures.

Cause

Store management failed to establish adequate internal control procedures to ensure PLCB Records Management procedures were followed.

Effect

As a result of the store not complying with PLCB records management policy, there is a loss of internal control over purchase receipts, store reports, personnel correspondence, inventory documentation, as well as all other pertinent paperwork requiring retention.

Recommendation

We recommend that store management enforce the PLCB BRO-0016, Records Management procedures.

Management Response

The management agrees with finding. The assistant manager and staff will continue to search for these documents.

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 5108
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).

Wholesale Purchase Permit Card

Our prior examination reported noncompliance with PLCB Wholesale Purchase Permit Card procedures – Wholesale Purchases Made with Inactive (Expired) License. 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.

COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA LIQUOR CONTROL BOARD
FINE WINE AND GOOD SPIRITS STORE 5108
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

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.