EXAMINATION REPORT

Pennsylvania Liquor Control Board

Fine Wine and Good Spirits Store 6306

245 West Main Street
Monongahela, Pennsylvania 15063
For the Period
October 28, 2024 to September 10, 2025

October 2025

Commonwealth of Pennsylvania
Department of the Auditor General
Timothy L. DeFoor • Auditor General

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 6306, Washington County, District 3-07, operated by the Pennsylvania Liquor Control Board (PLCB). We examined store operations for the period October 28, 2024 to September 10, 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 6306 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. These matters were discussed with appropriate personnel and are 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

Timothy L. DeFoor
Auditor General
October 9, 2025

CONTENTS

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 6306
FINDINGS AND RECOMMENDATIONS

<u>Finding – Inventory Discrepancy Exceeding 1% of the Value Examined – Repeat Finding</u>

<u>Condition</u>

A random sample count of 60 liquor codes, comprised of 1,823 units valued at $37,048.87, was performed on September 11, 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 $370.49. The perpetual inventory records and the actual inventory count matched 48 codes; however, the following 12 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	72	84	(12)	$8.99	($107.88)
2	27	28	(1)	$27.99	($27.99)
***3**	***29***	***30***	***(1)***	***$25.99***	***($25.99)***
4	23	24	(1)	$28.99	($28.99)
5	1	2	(1)	$64.99	($64.99)
6	29	30	(1)	$18.99	($18.99)
7	38	39	(1)	$14.99	($14.99)
8	18	17	1	$31.99	$31.99
***9**	***46***	***45***	***1***	***$19.99***	***$19.99***
10	15	9	6	$59.99	$359.94
11	63	51	12	$26.99	$323.88
12	50	38	12	$27.99	$335.88

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

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

Discrepant Code Item Number	Reason Code	Description	Units	Date
9	88	Stock Out	-1	6/28/25
11	87	Stock In	1	6/28/25

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

Finding – (Continued)

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

On September 11, 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 two most recent examinations of this store; however, we have not received corrective action for the two prior examinations 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

Contributing factors include, but are not limited to, shipment discrepancies that went undetected along with clerk errors by not scanning every bottle when processing transactions 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. She mentioned she will remind staff to scan each bottle and to compare bottle counts to amount displayed on the register.

Finding – (Continued)

Examiner's Conclusion

As indicated in the above Condition, it was disclosed that two 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.

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 6306
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 No. 1).

COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA LIQUOR CONTROL BOARD
FINE WINE AND GOOD SPIRITS STORE 6306
REPORT DISTRIBUTION LIST

This report was initially distributed to the following:

The Honorable Darrell Clarke
Chairman
Pennsylvania Liquor Control Board

Faith Deitrich
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.