

EXAMINATION REPORT

Pennsylvania Liquor Control Board
Fine Wine and Good Spirits
Store 2612

99 Matthew Drive
Uniontown, Pennsylvania 15401
For the Period
July 18, 2024 to June 2, 2025

August 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 2612, Fayette County, District 3-05, operated by the Pennsylvania Liquor Control Board (PLCB). We examined store operations for the period July 18, 2024 to June 2, 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.

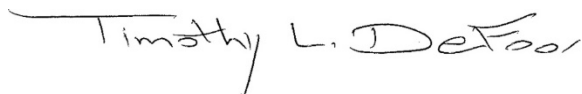
The results of our examination found that Fine Wine and Good Spirits Store 2612 operated in compliance with all PLCB operating procedures falling within the scope of our examination, except as noted in the following finding and discussed later in this report. This matter was discussed with appropriate personnel and is intended to assist you in improving internal controls.

Finding – Inventory Discrepancy Exceeding \$200 in Value – 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,

A handwritten signature in black ink that reads "Timothy L. DeFoor". The signature is written in a cursive, flowing style.

Timothy L. DeFoor
Auditor General
July 31, 2025

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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 2612
FINDING AND RECOMMENDATION**

Finding – Inventory Discrepancy Exceeding \$200 in Value – Repeat Finding

Condition

A random sample count of 58 liquor codes, comprised of 5,514 units valued at \$137,031.24, was performed on June 3, 2025. We compared PLCB perpetual inventory records for the 58 liquor codes to actual inventory on hand. The perpetual inventory records and the actual inventory count matched for 45 codes; however, the remaining 13 codes actual inventory count did not agree with the perpetual inventory records. The discrepancies are noted below.

<u>Discrepant Code Item Number</u>	<u>Physical Count</u>	<u>Perpetual Inventory</u>	<u>Difference</u>	<u>Retail Cost Per Unit</u>	<u>Total Value</u>
1	28	530	(502)	\$7.99	(\$4,010.98)
2	120	208	(88)	\$18.99	(\$1,671.12)
3	76	84	(8)	\$27.99	(\$223.92)
4 *	175	182	(7)	\$19.99	(\$139.93)
5	62	65	(3)	\$54.99	(\$164.97)
6	121	123	(2)	\$27.99	(\$55.98)
7 *	96	98	(2)	\$21.99	(\$43.98)
8 *	81	82	(1)	\$27.99	(\$27.99)
9	167	168	(1)	\$12.99	(\$12.99)
10	57	55	2	\$52.99	\$105.98
11	12	8	4	\$17.99	\$71.96
12	240	228	12	\$7.99	\$95.88
13	1,032	768	264	\$6.19	\$1,634.16

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

On June 3, 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 three 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 store management to maintain accurate perpetual inventory records.

**COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA LIQUOR CONTROL BOARD
FINE WINE AND GOOD SPIRITS STORE 2612
FINDING AND RECOMMENDATION**

Finding – (Continued)

Cause

The assistant manager stated some of the codes were discrepant due to store personnel scanning errors at the register and errors while doing physical 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 Board investigate this situation and take whatever action it deems necessary to bring inventory discrepancies within the parameters established by the Board. Store management should monitor the clerks scanning procedures to reduce the risk of error and monitor all large adjustments made to inventory for accuracy.

Management Response

Management agreed with the inventory count.

Examiner's Conclusion

As indicated in the above Condition, it was disclosed that three of the discrepant inventory codes were also noted as discrepancies in the prior examination count and reported to PLCB. Since procedures were not implemented or operated 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.

**COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA LIQUOR CONTROL BOARD
FINE WINE AND GOOD SPIRITS STORE 2612
FINDING AND RECOMMENDATION**

Finding – (Continued)

During examination of breakage and adjustments reports, it was noted that 9 of the discrepant codes noted above, found during the random inventory count were the same codes adjusted between February 1, 2025, to April 30, 2025, as illustrated below:

<u>Item Number</u>	<u>Description</u>	<u>Units</u>	<u>Date</u>
1	Stock Out	-20	3/18/25
3	Stock In	3	3/11/25
5	Stock In	1	2/19/25
6	Stock Out	-2	3/5/25
7	Stock In	14	2/19/25
7	Stock Out	-15	3/12/25
8	Stock Out	-11	3/5/25
8	Empty or Partial Container with closure intact or missing or leaking bag	-1	3/15/25
10	Stock Out	-2	3/11/25
10	Stock Out	-2	3/17/25
12	Stock In	23	2/4/25
13	Stock Out	-120	2/9/25

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

Based on an examination of the 30 most recent shipment invoices, the codes listed above did not disclose any issues during deliveries.

We are concerned by the failure to comply with the prior findings and encourage compliance at the earliest opportunity to do so. 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 2612
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 2612
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.