

ABSTRACT

Financial statements aim to provide information that is useful for users of financial statements in making economic decisions. Decisions taken are appropriate and in accordance with the conditions of the cooperative, based on financial statements that have guaranteed accountability. To fulfill this matter, usually the financial statements used as a reference are financial statements that have been audited by an external audit. cooperative environment in the city of Bandung awareness of external audits is still rarely carried out continuously, so that the factors that influence the demand for external audit services need to be increased, so that the financial statements used can be used as a reference and maintained accountability.

The research aims to analyze the effect of the number of members, cooperative size, gearing ratio, liquidity ratio on the demand for external audit services at cooperatives in the city of Bandung. The research hypothesis was tested using linear logistic regression, because the dependent variable is nominal (dummy). The sample used was 137 cooperatives in Bandung city which had made financial statements since 2015.

The results of this study showed variable number of members, size (size), liquidity ratio significantly influence the demand for external audit services. The non-significant results are indicated by the gearing ratio variable, because the average long-term debt in cooperatives in Bandung is not so large compared to cooperative capital.

Keywords: Number Of Member, Cooperative Magnitude, Gearing Ratio, Liquidity Ratio, External Audit