

## ABSTRACT

The objective of financial statements is to provide information to users of financial statements in the context of economic decision making. Therefore it is very important for users that financial statements made by the cooperation is to provide reasonable information, proved to be true and trustworthy. In order to ensure and provide assurance to the user that created the financial statements containing factual information in accordance with the conditions of the cooperation, it is necessary to audit the financial statements by an independent auditor. The objective of financial statement auditing is to ascertain whether the financial statements prepared by the cooperation have been prepared in accordance with the provisions of the presentation. However, the culture to audit the financial statements of the cooperation is still very low. Thus it is necessary to identify and analyze factors that affect the demand for audit service.

This study has the objective to analyze the influence of financial factors namely liquidity ratio and gearing ratio, as well as non-financial factors, namely the number of members and the size of cooperatives to demand audit service on “Koperasi Simpan Pinjam” at Central Java province level. The dependent variable used is dummy (nominal) so that this hypothesis was tested using logistic regression. Out of the total sample of 130 units of “Koperasi Simpan Pinjam”, samples that can be processed and used only 93 units of cooperative units because the data is incomplete financial reports.

The results of this study indicate that the variable number of members and the size of cooperative have positive effect on the demand for audit service, while variable liquidity ratio and gearing ratio do not influence the demand for audit service in the “Koperasi Simpan Pinjam”.

**Keywords:** Liquidity Ratio, Gearing Ratio, Number of Members, Size of Cooperative, Audit Service, “Koperasi Simpan Pinjam”.