

## ABSTRACT

*Financial statements are prepared to create information that is useful for economic decisions using cooperative financial statements. To guarantee the usefulness of a financial report, a reasonable and trustworthy cooperative financial report is needed, namely by conducting a financial statement audit on an independent auditor. However, the initiative of cooperatives to conduct financial statement audits in Indonesia is still relatively low. This study aims to analyze internal and external factors that influence the demand for audit services at the Savings and Loan Cooperative in Central Java Province.*

*Internal factors studied include cooperative members, liquidity, gearing, and cooperative size, while the external factors studied are government regulations. A sample of 87 Savings and Credit Cooperatives was obtained through a purposive sampling method, with the criteria of cooperatives that have long-term debt, have conducted annual member meetings (RAT) and made and submitted financial year 2016 reports to the Central Java Provincial Cooperative and MSME Office. The data analysis technique used in this study is logistic regression analysis because the dependent variable is dummy.*

*The results of the study show that cooperative members and government rules have a positive effect on the demand for audit services in cooperatives, while liquidity, gearing and cooperative size have no influence on the demand for audit services in savings and loan cooperatives.*

*Keywords: Cooperative members, liquidity ratios, gearing ratios, cooperative size, government regulations, audit services, savings and loan cooperatives.*