VPC Monitoring with Flow Logs & CloudWatch Logs

By Haroon Zaman | December 2025

Introduction

In this project, I explored how to monitor network traffic inside AWS using **VPC Flow Logs** and **Amazon CloudWatch Logs**. Network monitoring is essential for understanding how resources communicate within a VPC, how data moves in and out, and whether any security rules are blocking traffic.

Before enabling monitoring, I first set up the full networking environment:

- Created **two separate VPCs**, each with its own CIDR block
- Launched **one EC2 instance in each VPC**
- Created a **VPC Peering connection** so both VPCs could communicate privately
- Verified **successful connectivity** between both EC2 instances

Once the two VPCs were communicating, I added monitoring tools to track what kind of traffic was flowing between them.

Network monitoring helps engineers:

- Check the source and destination of traffic inside the VPC
- Analyse how much data is being transferred
- Identify traffic that is being blocked by security groups or NACLs
- Ensure resources are communicating securely
- Optimize network performance in advanced setups

In this project, I completed the following tasks:

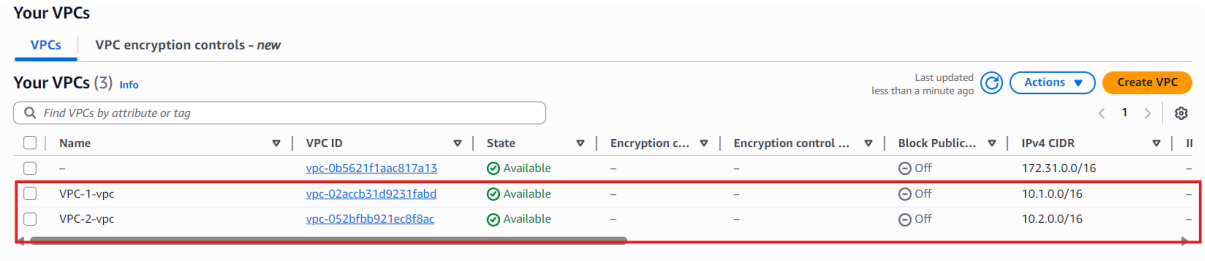
1. Set up **two VPCs** and validated their peering connection
2. Enabled **VPC Flow Logs** to collect detailed network traffic information
3. Sent logs to **Amazon CloudWatch Logs**
4. Created the necessary **IAM role and permissions policy**
5. Analysed flow log data using **CloudWatch Log Insights**

This setup allowed me to fully monitor the communication between my VPCs and understand how network traffic behaves at a low level inside AWS.

Creating Two VPCs for Monitoring

VPC 1 Setup

- I created the first VPC and named it **VPC_1**.
- I assigned it the IPv4 CIDR block **10.1.0.0/16**, giving it a large private IP range.
- I created **one public subnet** inside this VPC.



- I selected **No NAT Gateway**, since I wasn't using private subnets that require outbound internet access.
- I also selected **No S3 Gateway Endpoint**, because this project focuses on VPC-to-VPC connectivity and monitoring, not private S3 access.

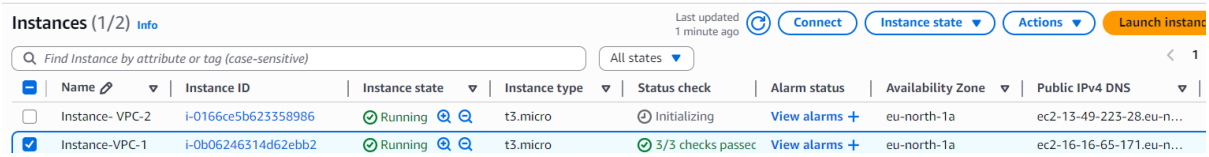
VPC 2 Setup

- Next, I created the second VPC named **VPC_2**.
- I assigned it a different IPv4 CIDR block: **10.2.0.0/16**.
  (Each VPC must have a unique CIDR range for peering and communication.)
- Just like the first VPC, I added **one public subnet**.
- Again, I chose **No NAT Gateway**, since the subnet didn't require private outbound traffic.
- I selected **No S3 Gateway Endpoint** for the same reasons as VPC_1.

Creating EC2 Instances in Both VPCs

Instance in VPC_1

- I created the first instance and named it **Instance_VPC_1**.
- I attached it to **VPC_1** and selected the **public subnet** of that VPC.
- I **enabled Auto-assign Public IPv4**, so this instance could be reached from the internet for testing and monitoring.
- In the **Security Group settings**, I created a new SG specifically for this instance.
  - I allowed **SSH (port 22)** so I could connect to it.
  - I allowed **ICMP – IPv4** so I could use ping for connectivity tests.
- After setting the rules, I launched the instance.



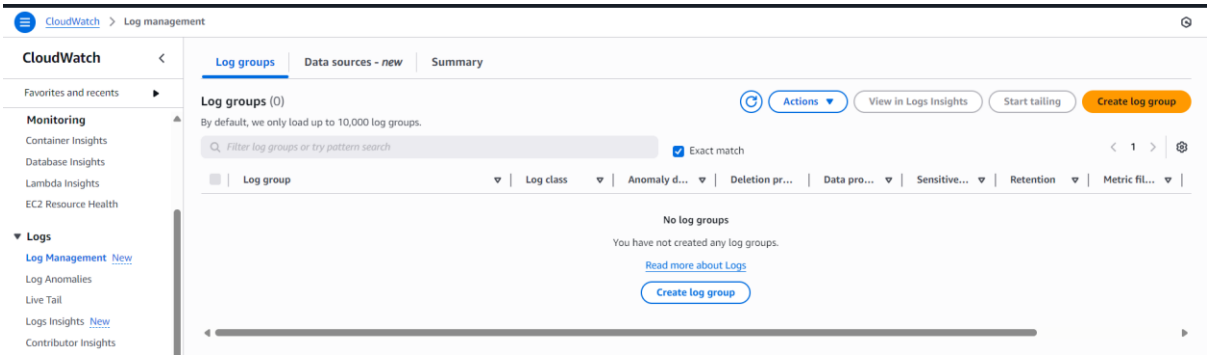
Instance in VPC_2

- I created the second instance and placed it inside **VPC_2**.
- I selected the **public subnet** of VPC_2 as well.
- This instance also uses private communication for peering tests, so the setup matched the first instance (except no need for a public IP if not connecting externally).
- I launched **Instance_VPC_2** with similar settings to keep the testing environment consistent.

Setting Up CloudWatch for VPC Monitoring

What is Amazon CloudWatch?

- **Amazon CloudWatch** is a powerful monitoring service that observes everything happening in your AWS environment in real time.
- AWS services send their **metrics and logs** to CloudWatch, where you can view them as clear dashboards, graphs, and insights.
- CloudWatch helps track performance, detect unusual traffic, and understand the overall health of your AWS environment.
- It can even **automate actions**, such as blocking illegitimate traffic or alerting you when something suspicious happens.



Creating a Log Group in CloudWatch

- I searched for **CloudWatch** in the AWS Console and opened the service.
- On the left panel, under **Logs**, I selected **Log groups**.
- I created a new log group, which is required to store all VPC Flow Log data.
- This log group will act as the **destination** where flow logs from both VPCs will be sent for monitoring and analysis.

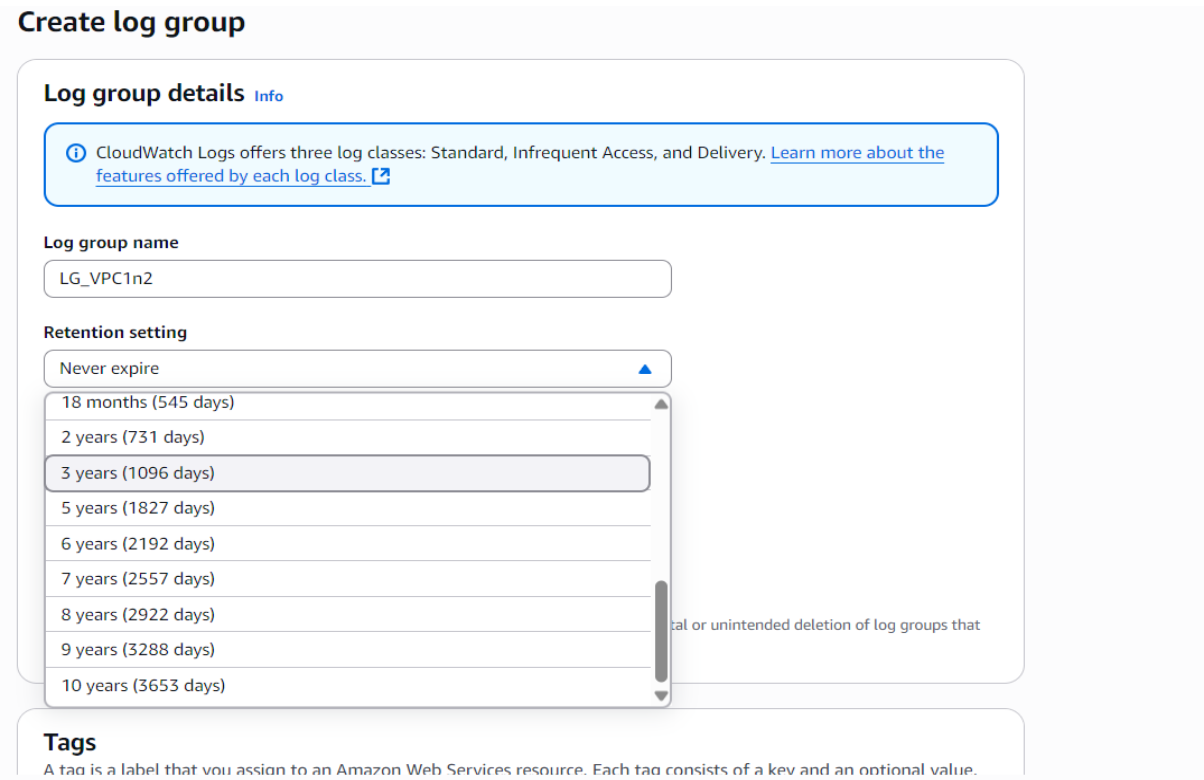
Creating the Log Group in CloudWatch

What is a Log Group?

- A **Log Group** is a container inside CloudWatch where log data is stored and organized.
- All logs from a resource (like VPC Flow Logs, Lambda logs, EC2 logs, etc.) are sent into a log group.
- Think of it as a folder that stores and manages all related log streams for easier monitoring and analysis.

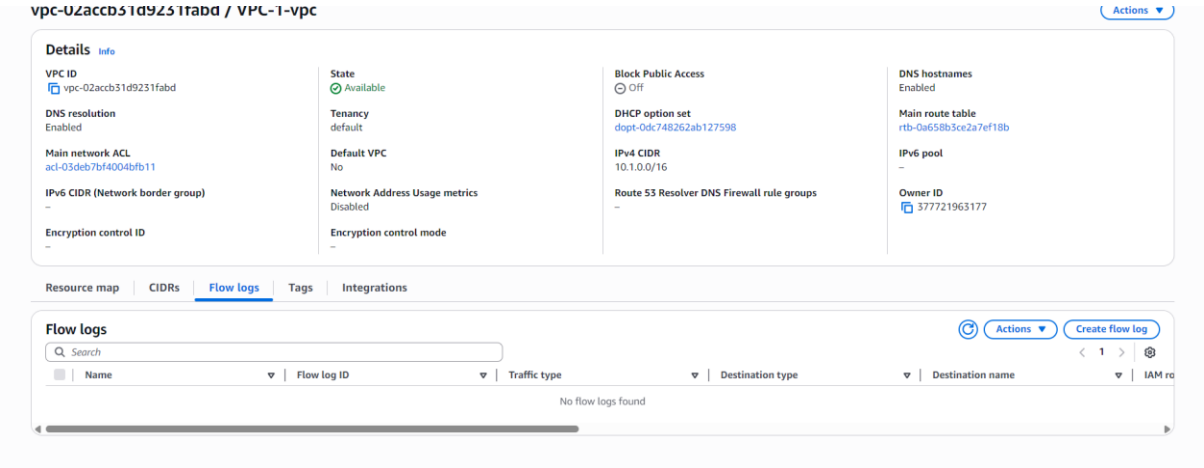
Cofiguring the Log Group

- I named my log group **LG_VPC1n2**, since it will store flow logs from both VPCs.
- The retention period defines **how long the logs will be stored** before CloudWatch automatically deletes them.
- Options range from 1 day up to 10 years.
- I selected **Never Expire**, which keeps all logs permanently unless deleted manually.
- This is useful for long-term troubleshooting or security analysis.
- CloudWatch offers two log classes:
  Standard – Designed for logs that will be accessed or analyzed regularly.
  Infrequent Access – Lower storage cost but higher cost per retrieval; suited for long-term archiving.



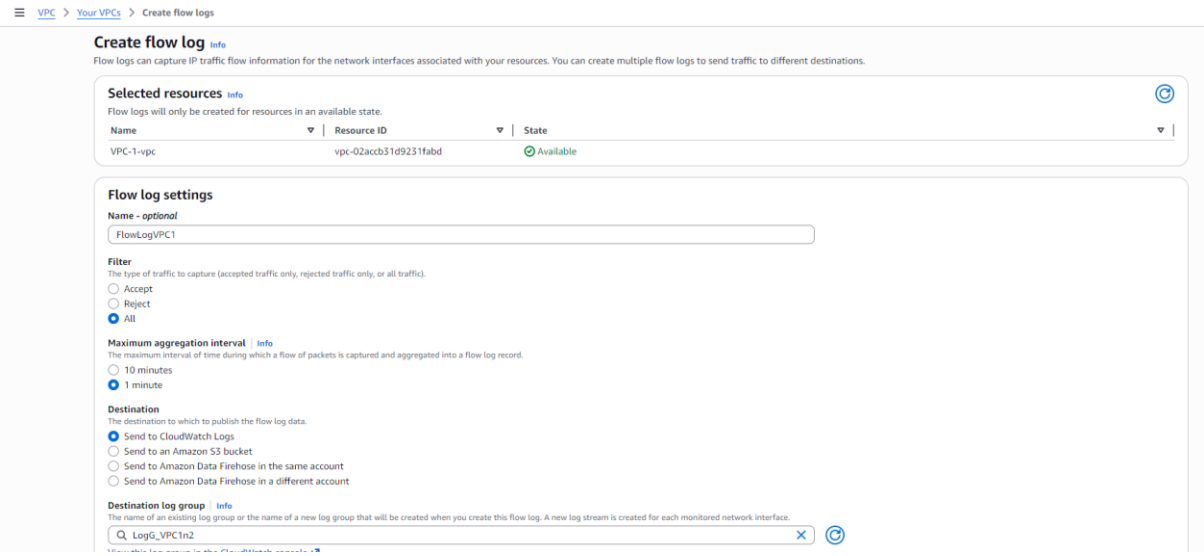
- I chose **Standard**, since I will be actively analyzing the VPC flow logs.
- A **KMS Key ARN** is an encryption key used to encrypt logs at rest.

- Since encrypting flow logs wasn't required for this project, I left this setting empty.
- It remains optional unless strict compliance or encryption policies are needed.
- CloudWatch offers an option to protect the log group from accidental deletion.
- I left this **unchecked**, as I may modify or recreate the log group during practice.
- After reviewing all settings, I clicked **Create Log Group**, and **LG_VPC1n2** was successfully created.



Creating VPC Flow Logs for VPC_1

- After creating the Log Group, I went back to the **VPC Console** and selected **VPC_1**.
- On the left-side menu, I opened **Flow Logs** and clicked **Create Flow Log**.



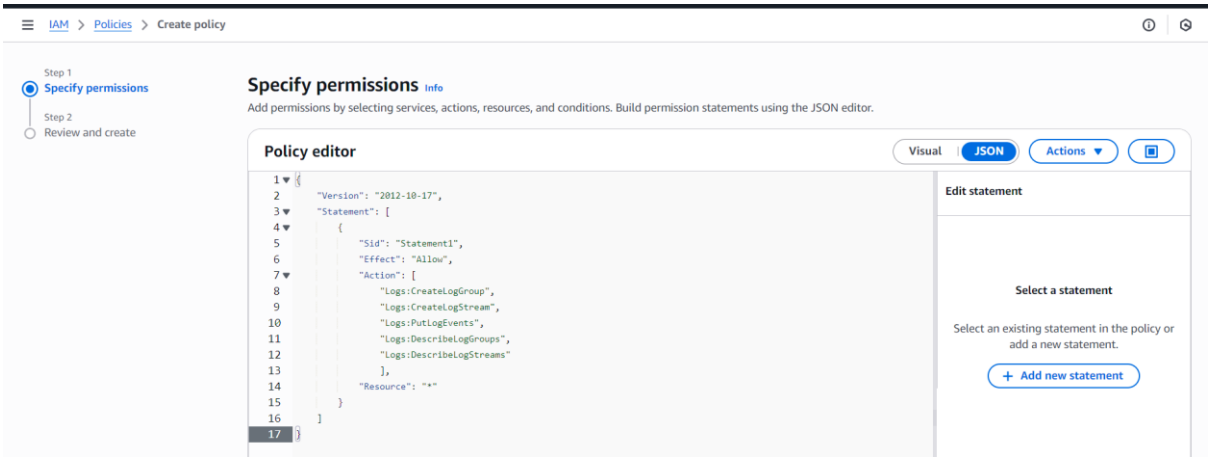
Configuring the Flow Log for VPC_1

- I named the flow log **FlowLogVPC1** to clearly identify which VPC it belongs to.
- For the **Filter**, I selected **All**.
- This captures **accepted**, **rejected**, and **all network traffic** going in and out of the VPC.

- Choosing “All” provides complete visibility, which is ideal for learning and troubleshooting.
- I selected the **1-minute** interval.
- **What is Maximum Aggregation Interval?**
    - It defines how often AWS delivers flow log records to the destination (CloudWatch).
    - Shorter intervals (like 1 min) give **faster visibility** into traffic.
    - Longer intervals (10 min) reduce cost but delay log delivery.
- For monitoring and testing, **1 minute** is the best choice.
- For the destination, I selected **CloudWatch Logs**.
- Then I chose the log group I created earlier: **LG_VPC1n2**.
- This ensures all captured VPC traffic is stored and viewable inside CloudWatch.

Service Role Requirement

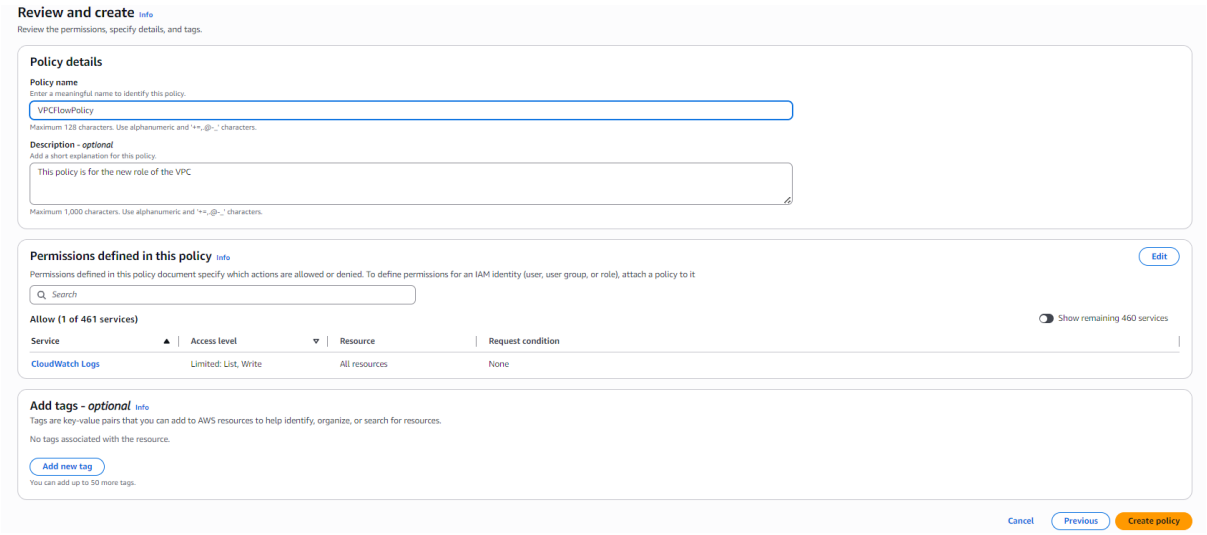
- Flow Logs require an **IAM Service Role** with permission to deliver logs into CloudWatch.
- **Why is a service role needed?**
    - Because VPC Flow Logs must **write log data** to CloudWatch Logs.
    - The VPC service itself doesn’t have permission by default.
    - The service role grants AWS permission to **push logs** into your CloudWatch log group on your behalf.
- Since I didn’t have a service role yet, I had to **create one before completing the flow log setup**.



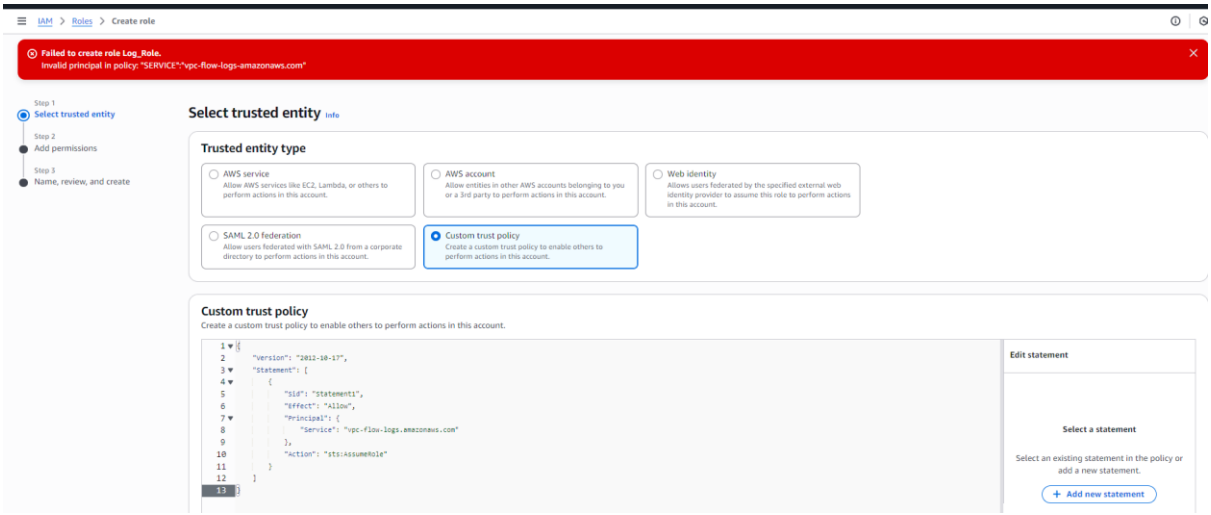
Creating the IAM Policy for Flow Logs

- I needed a **service role**, so I searched for **IAM** in the console.
- I first tried to create the role, but AWS required a **policy** to exist before the role could be created.
  So I went to **IAM → Policies → Create policy**.
- I switched to the **JSON editor** because I wanted to create a **custom policy**.
    - A **custom policy** lets me define EXACTLY what permissions are allowed.
    - It works like a VIP list — only the services we choose can use this permission.

- In the JSON editor, I added the actions required for VPC Flow Logs to write logs to CloudWatch:
  - `logs:CreateLogGroup` – allows creating new log groups
  - `logs:CreateLogStream` – allows creating streams inside log groups
  - `logs:PutLogEvents` – allows sending log data into CloudWatch
  - `logs:DescribeLogGroups` – lets the role view log groups
  - `logs:DescribeLogStreams` – lets it view log streams
- For **Resource**, I used `"*"`, meaning the policy applies to all log groups and streams.



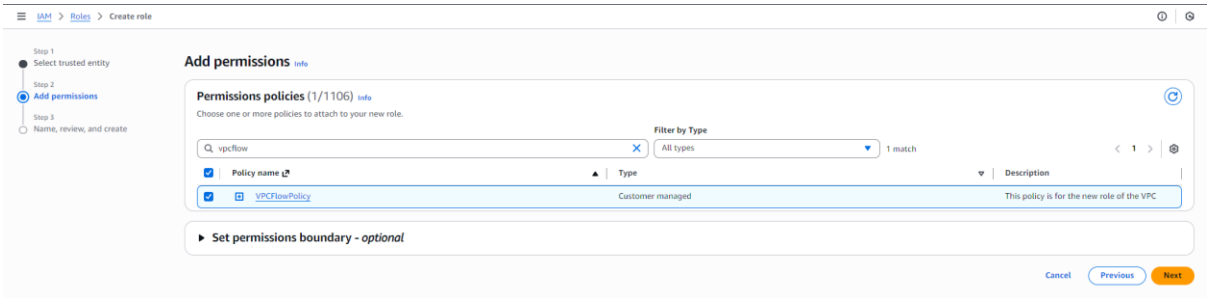
- After clicking **Next**, I reviewed the policy details to make sure everything was correct.
- I gave the policy the name **VPCFlowPolicy** so it clearly represents its purpose.
- Then I clicked **Create policy**, and the custom policy was successfully created.



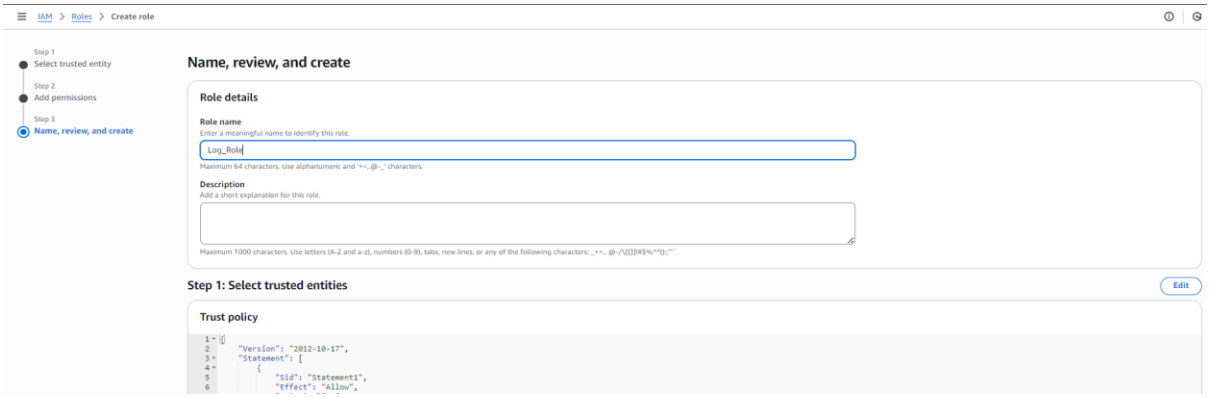
Creating the IAM Role for Flow Logs

- After creating the policy, I went to **IAM → Roles** and clicked **Create role**.

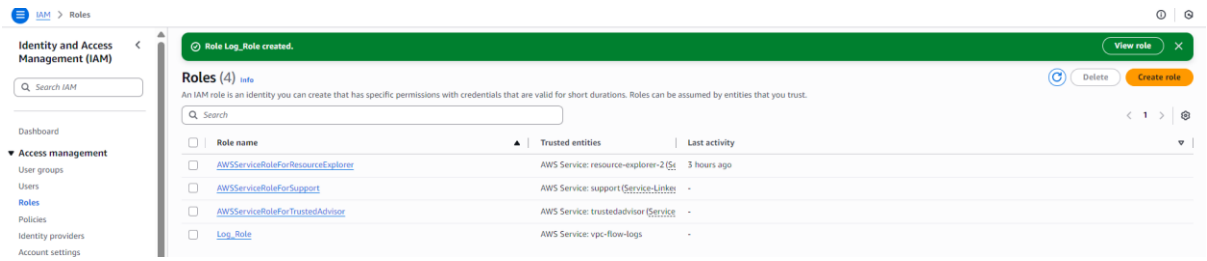
- For the trusted entity type, I selected **Custom trust policy**.
  This option lets me specify exactly **which AWS service** is allowed to assume (use) this role.
- In the trust policy, I had to add the **Principal**, which identifies the AWS service that will use this role.
  I added:
  `"Service": "vpc-flow-logs.amazonaws.com"`
- **What is this service?**
  - This is the AWS service responsible for generating VPC Flow Logs.
  - By adding it as the principal, I am telling AWS that **only VPC Flow Logs** are allowed to assume this role and send logs to CloudWatch.
  - No other service or user can use this role.
- The red error I saw at first was simply a typo because earlier I wrote:
  `vpc-flow-logs"-"amazonaws.com`
  After correcting it to the proper format, the trust policy validated successfully.



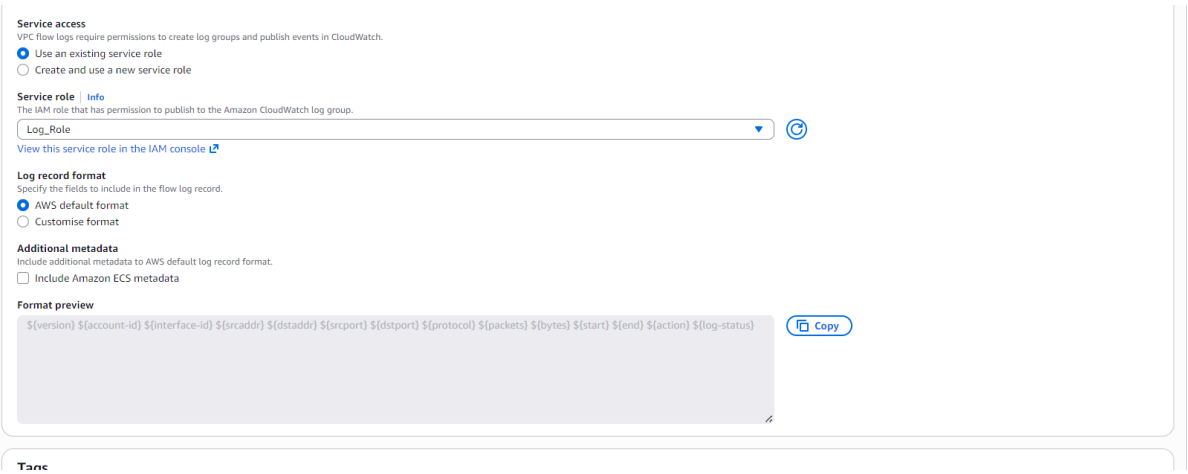
- After fixing the trust policy, I clicked **Next** to continue the role setup.
- On the **Add permissions** page, I selected the custom policy I created earlier: **VPCFlowPolicy**.
- This attaches the CloudWatch Logs permissions to the role so VPC Flow Logs can create log groups and push log data.
- After selecting the policy, I clicked **Next** to proceed.



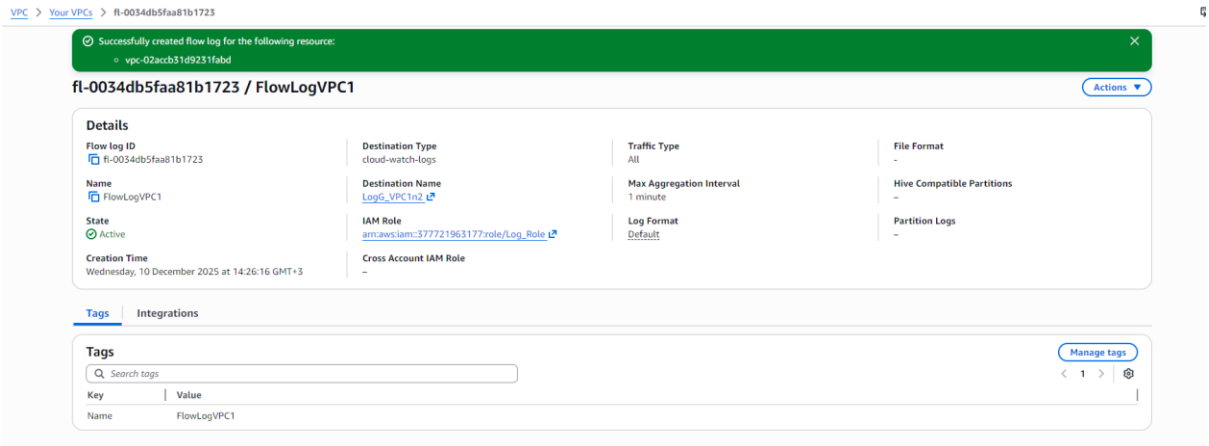
- On the final review page, I gave the role the name **Log_Role** so it's clear that this role is used for VPC Flow Logs.
- After confirming everything looked correct, I clicked **Create role**.



- The role was successfully created and is now ready to be used by the VPC Flow Logs service.

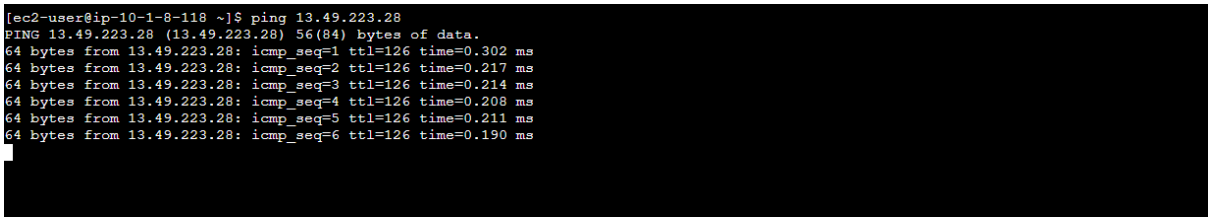


- After creating the IAM role, I went back to the **Flow Log setup** page for **VPC_1**.
- In the **Service Role** field, I selected the new role I created: **Log_Role**.
  This gives VPC Flow Logs permission to write traffic logs into CloudWatch.
- There was also an option to choose a **log format**.
  AWS offers custom formats where you can include additional fields like packet source, destination port, flow direction, etc.
- For this project, I kept the **default log format**, which already includes the essential details needed for monitoring.

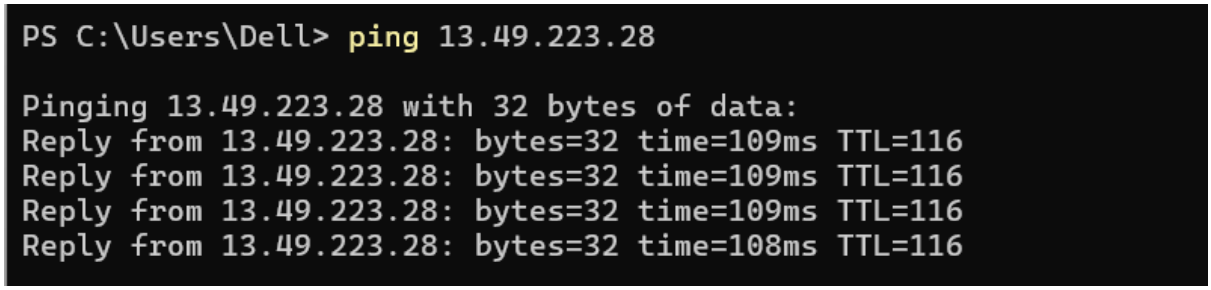


- After reviewing all settings, I clicked **Create Flow Log**, and the flow log for **VPC_1** was successfully created.

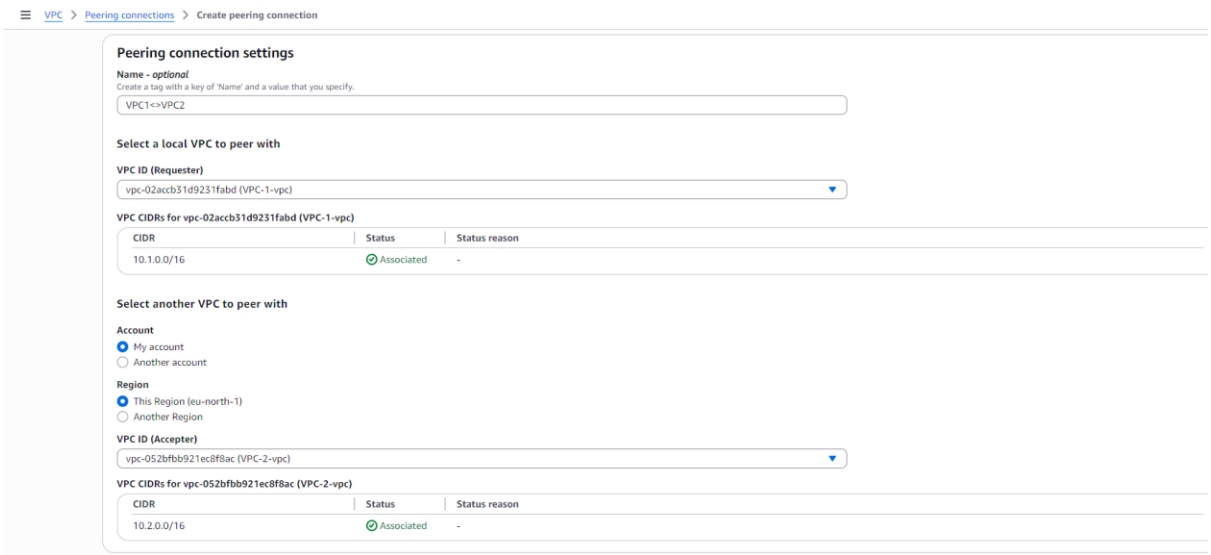
- Then I connected to **Instance_VPC_1**.
- I started pinging the **private IP** of **Instance_VPC_2**.
- Only **one ping was sent**, and that was it — no more replies came back.



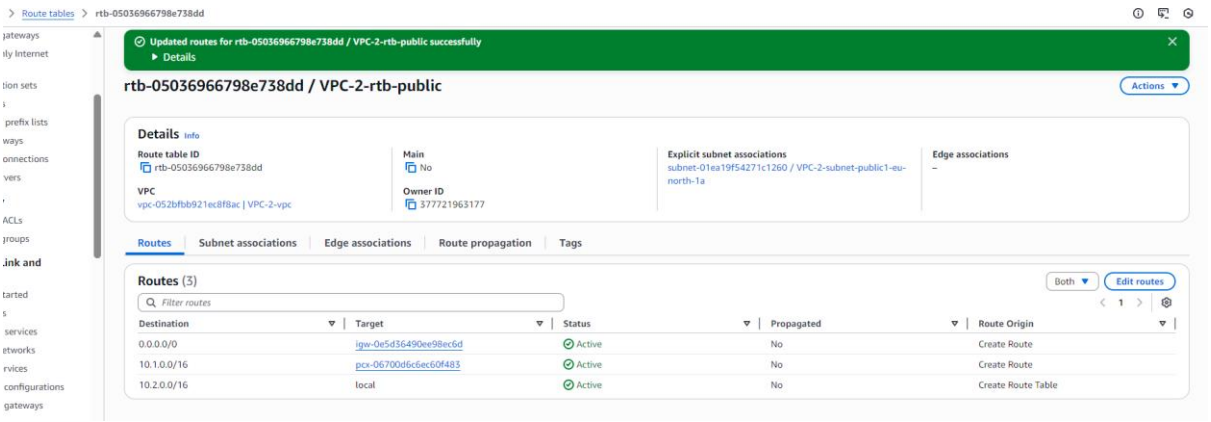
- Although the **public IP** of that instance was reachable from **Instance_VPC_1**.



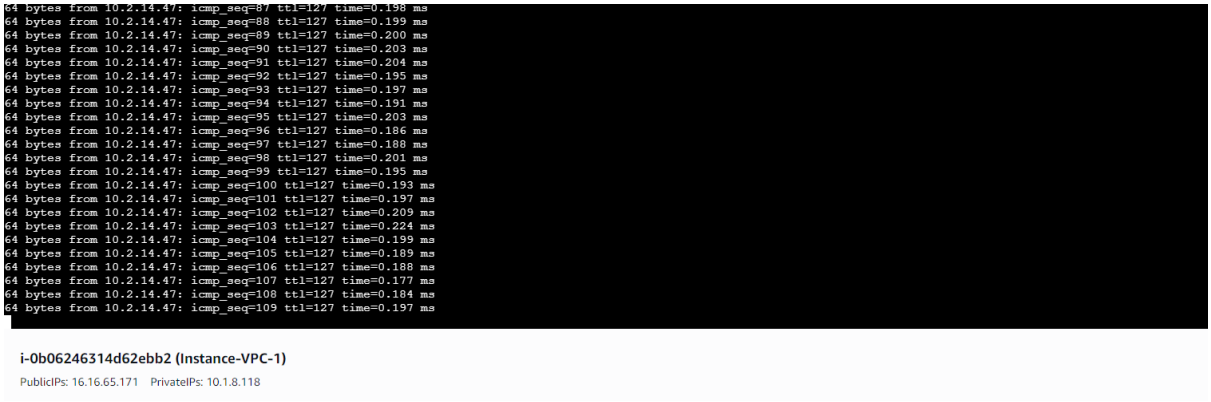
- I also tried from my own PC, and the **public IP** of that instance was responding.
- It did not respond to the **private IP** from **Instance_VPC_1** because there was **no peering connection** created between the VPCs.



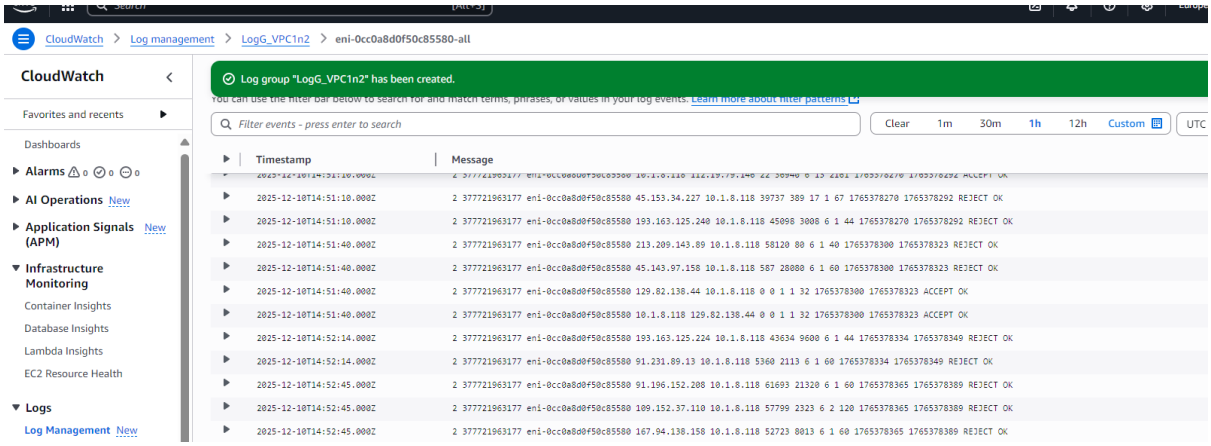
- So I went to **Peering Connections** and created a new one named **VPC1 <> VPC2**.
- I chose **VPC_1** as the requestor and **VPC_2** as the accepter, since both are in my account and in the same region.



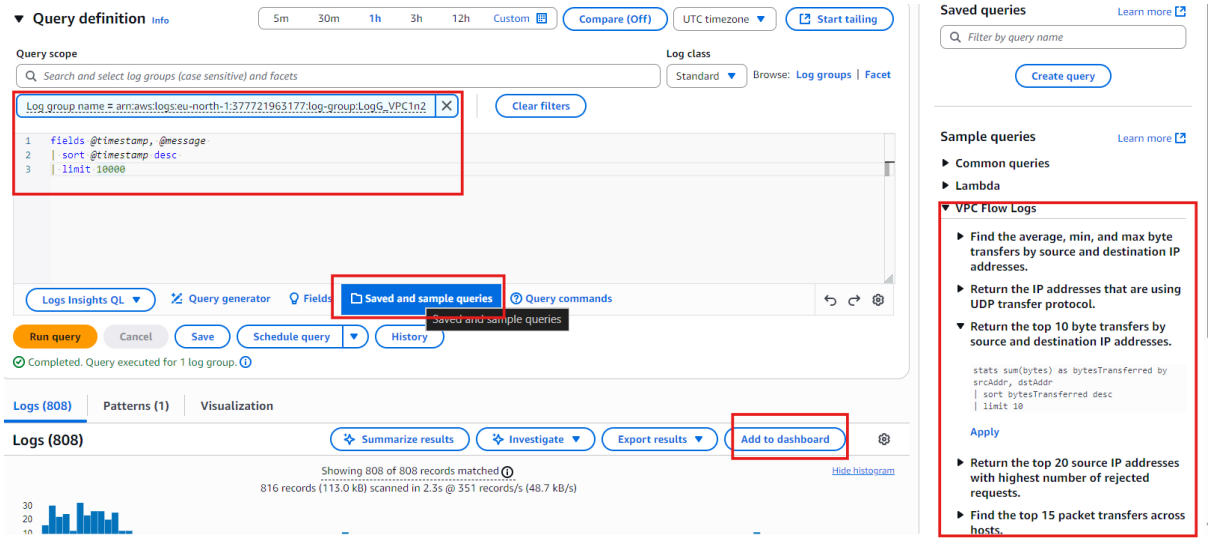
- Then I went on and added the **routes**.
- In the **VPC_1 route table**, I added the destination **10.2.0.0/16**.
- In the **VPC_2 route table**, I added the destination **10.1.0.0/16**.



- After that, the traffic started.



- After that, I went to **CloudWatch** and selected **Log management**, where the log group is located.
- When I selected the log group, the **logs were shown** to me.



- Then I selected **Log Insights** from the side panel.
- In Log Insights, there are many options for how we want the logs to appear and how they can be filtered.
- First, I had to select the **query scope**, and when I selected my log group, it gave me a **ready-made query**.
- We also have the option to **write our own query**, or choose from **saved** and **sample queries**.
- On the right side, there are sample query templates that we can use.
- At the end, we can also **add the query result to a CloudWatch dashboard**.

Conclusion

In this project, I learned how to monitor network traffic inside AWS by setting up **VPC Flow Logs** and analyzing the data through **CloudWatch Logs and Log Insights**. I created two VPCs, deployed instances inside them, and established a peering connection to allow private communication. After enabling flow logs, I was able to capture and observe all network activity between the VPCs.

I also created a custom IAM policy and role to allow VPC Flow Logs to deliver data to CloudWatch. With Log Insights, I explored different ways to filter, view, and analyze traffic patterns. This project helped me understand how logs are generated, how they are stored, and how they can be used to troubleshoot or monitor VPC connectivity.

Overall, this hands-on experience strengthened my understanding of AWS monitoring tools and gave me practical exposure to analyzing network traffic inside a cloud environment.